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IMF's Asia Plan Draws Ever Louder Complaints

'The Answer We Want Is Not Yet Emerging,' Malaysian Says, Citing Consensus at Summit

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Top officials of East Asia's shaken economies stepped up their criticism of the International Monetary Fund's rescue packages Sunday, saying that IMF prescriptions did not appear to be working as well in Asia as they did in Latin America.

Reflecting growing concern that several major regional economies have not yet pulled out of a downward spiral, Malaysia's foreign minister, Abdullah Ahmad Badawi, said that there was consensus among the Southeast Asian countries gathered here for a summit meeting that "the answer that we want to see is not yet emerging." Three of the countries attending the meeting — Indonesia, Thailand and South Korea — have in recent months been forced to turn to the IMF for emergency rescue packages totaling more than $100 billion.

"In spite of the IMF coming and helping some of those countries, the situation has not improved," Mr. Abdullah said.

The discussions in Kuala Lumpur, which precede the official opening of the meeting Monday, took place against a backdrop of other developments:

• Finance Minister Theo Waigel of Germany was scheduled to arrive Sunday in the United States for several days of talks with officials, including President Bill Clinton and the Federal Reserve Board chairman, Alan Greenspan, on the turbulence in Asian financial markets. Mr. Waigel also is to meet with Treasury Secretary Robert Rubin and Michel Camdessus, managing director of the IMF.

• The Organization for Economic Cooperation and Development, in an economic forecast made public Sunday ahead of publication, predicted that the current turmoil in Asian markets could cut growth in the world's major developed economies by as much as one percentage point, with Japan and others in the region bearing twice as much of the pain as the United States.

• South Korea's three leading presidential candidates abruptly reversed position Saturday and signed a pledge to put into effect a $60 million IMF bailout agreement.

The candidates' agreement was designed to raise the confidence of foreign investors and bankers, stabilize financial markets and reduce the risk of default. South Korea must pay $10 billion in foreign debt by the end of the month.

A growing number of officials and business leaders across East Asia have complained in recent weeks that conditions often attached to IMF money — which require countries to raise interest rates, cut their budgets and open their financial-services sector to more foreign participation — are too harsh and could be doing more damage than good.

China on Sunday echoed that sentiment.

"First and foremost, such assistance should have no strings attached," said Shen Guofang, spokesman for the Chinese Foreign Ministry.

The IMF has disputed this view, saying that in Asia, as in Latin America, tight monetary policy is necessary to stabilize financial markets and restore confidence.

The three-day summit meeting was initially intended as a 30th anniversary party for the Association of South East Asian Nations, known as ASEAN. But it has evolved into a crisis meeting, with the region's financial turmoil at the top of the agenda.

Leaders from Japan, China and South Korea arrived Sunday to join ASEAN's nine members — Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam — for the summit meeting.

It marks the first time that ASEAN will meet with its three Northeast Asian

Concern over Asia is rising in the U.S. • But the effects on business there are still small. • South Korean conglomerates want to export their way out of the crisis. Page 11.

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World Pact In Finance Is Reached

Deal Could Increase Capital Flow to Asia

By Alan Friedman
International Herald Tribune

PARIS — In a move that could stimulate more capital flows back into the troubled region of East Asia, negotiators from 102 countries have sealed a global financial-services pact that will liberalize trillions of dollars worth of trade in the banking, insurance and brokerage sectors.

The deal, which was hailed by President Bill Clinton, will lower investment barriers around the world, allowing more foreign ownership of banks, insurance companies and securities firms in markets that until now had been heavily protected.

The groundbreaking agreement, which applies to all 132 members of the World Trade Organization, covers $10 trillion worth of global securities assets, $40 trillion of world banking assets and $2 trillion in worldwide insurance premiums, said Renato Ruggiero, director-general of the WTO in Geneva.

The biggest impact of the deal, which has been under negotiation for seven years, will be felt in Asia and Latin America, where there are still many restrictions on the role foreign companies can play in domestic markets. The United States refused to sign on to a first draft of the accord in June 1995 because it said market-opening measures presented by Asian and Latin American countries remained inadequate.

On Saturday, just hours after the deal was reached in Geneva, Mr. Clinton welcomed the prospect of more free-market competition in an industry that is dominated by the United States.

"In the wake of recent financial instability, it is particularly encouraging that so many countries have chosen to move forward rather

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David Longstreath/The Associated Press

SEOUL RALLY — A supporter holding a poster Sunday of a minor candidate in the South Korean presidential election. Analysts said the main opposition candidate stood a good chance of winning. Page 6.

Iran Leader Extends Hand to Americans

He Calls Them 'Great People'

By Douglas Jehl
New York Times Service

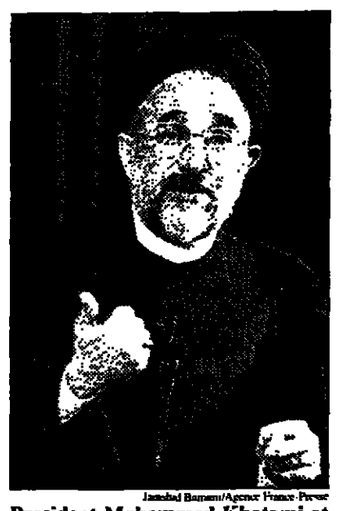
TEHRAN — President Mohammed Khatami of Iran on Sunday aimed an unusual conciliatory message at the United States, saying that he hoped soon to re-establish a dialogue with the American people that for all practical purposes has been halted since the Islamic revolution of 1979.

Speaking at a news conference for only the second time since his election in May, Mr. Khatami was restrained even in his criticism of the U.S. government, which he said was preventing a possible rapprochement.

"I hope the American politicians would understand their time better, understand the realities, and move forward," Mr. Khatami said. He declared his "great respect" for the "great people of the United States."

"At the appropriate time, I will present my words to the American people," the Iranian president said. "I would hope for a thoughtful dialogue with the American people and through this thoughtful dialogue we could get closer to peace and security and tranquillity."

[The Clinton administration on Sunday responded to Mr. Khatami's comments with a restatement of existing American policy, Reuters reported. "The United States is interested in deeds, not words," said a White House spokesman, Barry Toiv. Describing the deeds the United States was awaiting, Mr. Toiv said: "Iran needs to stop the development of weapons of mass destruction. Iran needs to stop supporting terrorism, and it needs to stop impeding the Middle East peace process."]



Jamshid Bamani/Agence France-Presse

President Mohammed Khatami at a Tehran press conference Sunday.

The overall thrust of Mr. Khatami's message was both warmer and more specific than anything he has had to say in the past, and it appeared to mark a new phase in Iranian efforts to mend fences with old foes.

Mr. Khatami, 55, a Shiite Muslim cleric who won a landslide victory over a candidate supported by the religious establishment, is generally regarded as the most moderate official to emerge in Iran's top echelons of power since shortly after the revolution that overthrew Shah Mohammed Reza Pahlavi.

U.S. officials have said they have been watching closely for signs that Mr. Khatami's triumph might mark a change in orientation, and his remarks were certain to be scrutinized by the State Department and other agencies that have been reviewing U.S. policy toward Iran.

Mr. Khatami has not spoken out much in public since he took office in August, and his more conciliatory approach was somewhat overshadowed last week by the fiercely anti-Western tone of an address delivered to an Islamic summit meeting here by Ayatollah Ali Khamenei, Iran's supreme leader.

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Turkey Is Rejected for EU Membership

Amid Signs of Showdown on Cyprus, Ankara Ends Political Dialogue

By Barry James
International Herald Tribune

LUXEMBOURG — Furious over its rejection as a candidate for membership in the European Union, Turkey spurned on Sunday an offer to take part in a pan-European conference next year and set the scene for a possible showdown over divided Cyprus.

At their meeting here over the weekend, European leaders agreed on the future conference as a means of keeping Turkey within its enlargement process.

In a move that will change the face of Europe, the participants at the summit talks invited 10 countries in Eastern and Central Europe plus Cyprus to join the existing 15 EU members, ending the postwar division of Europe and adding about 100 million people to the Union's population.

But they did not accept Turkey, which has been seeking membership for 34 years, as an official candidate, even though they did not rule out its candidacy in the future.

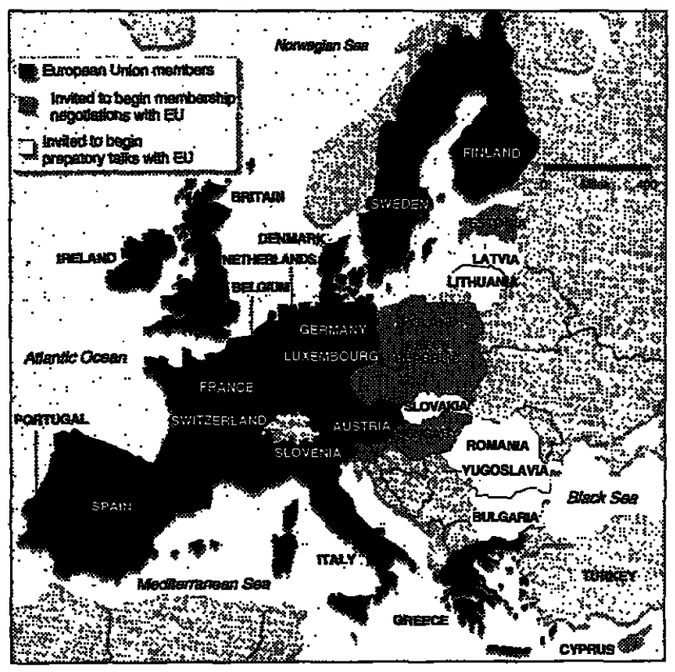
The Turkish government, which had seen the move toward Europe as a bulwark against militant Islam, said the offer was insufficient and declared that political dialogue was at an end.

"There will not be a political dialogue between Turkey and the European Union," Prime Minister Mesut Yilmaz said at the end of a cabinet meeting Sunday in Ankara.

He added that Turkey, which illegally occupies northern Cyprus, would "integrate" the territory if the EU went ahead with plans to open membership negotiations with the internationally recognized Greek-Cypriot government.

Britain's euro squabble. Page 11.

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EC 'Amazed' as U.S. Expands Its 'Mad Cow' Ban in Europe

The Associated Press

LUXEMBOURG — The European Commission has expressed "amazement" at the news that the United States has banned imports of cattle, sheep and related products from Europe because of fears over "mad cow" disease.

Hans van den Broek, foreign affairs commissioner of the European Union, said he was still studying the issue, adding, "Obviously it is of great concern." Klaus van der Pas, a commission spokesman, said the EU had not been formally told of the decision, announced late Friday in Washington.

Asked for a reaction, he said: "Amazement. We heard about this through the press."

Washington said it was banning the imports until the risk of spreading mad cow disease in America was fully examined. Previously, the Agriculture Department had restricted imports of cattle, sheep and many products such as fresh meat and bonemeal, from nine European countries where the disease was known to exist. The new action expands that ban to most of the rest of Europe.

"We made this decision to protect human and animal health, to protect the security of our export markets and to protect the safety and integrity of our food supply," said Michael Dunn, assistant agriculture secretary for marketing and regulatory programs.

No case of bovine spongiform encephalopathy — the neurological disorder fatal in cattle — has ever been reported in the United States. Eating meat from cattle tainted by the disease is believed to cause the brain-wasting Creutzfeldt-Jakob disease in humans, which has killed more than

See BEEF, Page 10

In a Seoul Suburb, Gloom

Middle-Class Bastion Blames IMF for Troubles

By Don Kirk
Special to the Herald Tribune

PUNDANG, South Korea — In the midst of this new city of high-rise apartment buildings, glittering shopping plazas and carefully planned parks and playgrounds, Ahn Hyo Hee, a real estate agent, sits in her office and waits for calls that never come.

"My last sale was in November," said Mrs. Ahn, whose clients include mainly young couples looking for safe and comfortable homes within about 30 kilometers (20 miles) commuting distance south of central Seoul.

But since the South Korean government announced this month that the International Monetary Fund would have to bail out the economy, property is not selling.

Mrs. Ahn can think of no reason why the news of the IMF package of $60 billion in funds for debt-ridden South Korean banks and companies should have suddenly stifled the mood to buy and spend in a community that epitomizes the nation's newly affluent middle class.

"It is the IMF influence," is all she can say, relaxing in one of several comfortable armchairs beneath a detailed map of the city, whose population has soared to about 400,000 in just five years. "People are not comfortable with the IMF."

Mrs. Ahn, whose husband owns a once-prosperous automobile repair company, can hardly imagine how low the economic downturn will go, much less when it will end. She believes, however, the worst is yet to come — and soon.

"The shock will be in January and February," she said. "So far prices are steady. Then oil prices will go up. Everybody will have to pay much more. Nobody will be able to buy anything."

In three or four months, Mrs. Ahn fears, she will have to close her office while her husband's garage scrapes by on almost no business. "People are not

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Newsstand Prices

Andorra	10.00 FF	Lebanon	11,3000
Antilles	12.50 FF	Morocco	18 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

Iraq Promises More Weapons Data to UN

Reuters

BAGHDAD — The chief UN weapons inspector, Richard Butler, said Sunday that Iraq had promised to offer more information on its missile and warhead arsenal, and that he would hold high-level talks later Sunday regarding biological and chemical arms.

"This morning focused on missiles and warheads," Mr. Butler said at a news conference after talks between a Russian weapons inspector, Nikita Smidovich, and an Iraqi presidential adviser.

Mr. Butler said that it appeared some progress was being made and that he welcomed a request by the deputy prime minister, Tariq Aziz, for talks later Sunday on Iraq's biological and chemical weapons programs.

Mr. Butler and Mr. Aziz are expected to move to the most difficult part of their talks Monday, when they discuss Mr. Butler's demands for unrestricted access throughout Iraq for his inspection teams. Iraq has blocked the inspectors from a number of sites that it contends are vital to its security.

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The IHT on-line www.iht.com

New Take on Retirement: He Stops Work, She Doesn't

By Louis Uchitelle
New York Times Service

NEW YORK — After a career as a salesman, Ruth Cambron's husband retired, and she thought she might too. She took a leave from her job as a health care specialist in California, and the couple traveled on cruise ships.

"That convinced me not to retire," Mrs. Cambron said. "I did not want to feel useless."

She also wanted to build her pension. And 12 years later, at 73, she still draws a paycheck — a stalwart in the growing ranks of older women who continue to work after their husbands stop.

Sandra Kaul, an art gallery director and consultant, is just entering those ranks. Her husband, lured by the offer of a sweetened pension, retired in June at 58, after 30 years as a college art professor in Minnesota.

"I encouraged him," said Mrs. Kaul, who is 55. "I knew he really wanted to stay home and paint, while I have a career to pursue."

Helena Genovese, 63, stays at her job out of both necessity and desire. Her husband, a professional hypnotist, now 68, retired seven years ago, worried that if he did not ease up he might suffer a fatal heart attack, as a friend had.

But his $850 in monthly retirement benefits, mostly from Social Security, is insufficient to maintain the couple's suburban lifestyle without Mrs. Genovese's $1,900-a-month salary as a manager of the parking facility at Buffalo's airport.

"Besides, what would I do all day at home?" she asked. "He plays with the dog, builds model planes and visits our children. I think that if two people are home together constantly, they could end up killing each other."

Having distinguished themselves as the first generation of American women to leave the house to work in large numbers, women in their late 50s and early 60s are now in retirement range. If they are single, divorced or widowed, they often keep working, surveys show, because they lack the Social Security credits or pension savings of men their age, who earned more and worked more years.

But in growing numbers, married women in this age group are also staying on the job — breaking with the

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Aisha Awaits Her Fate / **Tradition of Tyranny**

When Puberty Is Shackled to a Forced Marriage

By Stephen Buckley
Washington Post Service

KORHOGO, Ivory Coast — The griots are wailing. They howl into a squealing microphone as fellow storytellers, in a storm of sunflower golds and indigos and teals and cornflower blues, dip, leap, shake, stomp, twirl and shudder in fierce, ecstatic dancing.

It is just after noon, and inside, in a steamy square room no larger than a prison cell, Aisha Camara is covered in a pink-and-white striped blanket. She briefly lifts a veil that hides her angular features. The griots and her neighbors are celebrating her wedding day, but she is not smiling.

She is 14 years old, and in this town in northern Ivory Coast, and throughout sub-Saharan Africa, such ceremonies are common. It does not matter that in numerous countries on this continent, such early marriages have been illegal for years.

Aisha's family will not publicly discuss this tradition, but people in her community eagerly defend it. People such as Boubacar Maiga, a neighbor who did not attend Aisha's wedding, say forcing girls to marry at such ages protects them from immorality, strengthens clan relationships and honors Islam.

"If a girl doesn't marry at an early age, she'll sleep with many men. Nobody would want to marry her later," said Mr. Maiga, 55. Such marriages, he said, keep girls from "adventures."

He married his first wife when she was 11. He forced his oldest daughter to marry last year when she was 12. His next daughter, age 7, is scheduled to wed next year.

Constance Yai, a prominent women's rights activist in this West African country, sees only tyranny in the tradition. Her battle to eradicate childhood marriage is, for her, a struggle between an oppressive Africa tied blindly to traditions versus one urgently seeking to embrace the modern world.

"Pedophilia is a phrase that's only recently become popular in the developed world," she said in her office in Abidjan, the capital of Ivory Coast. "But in Africa, it's been around a long time."

The practice of forcing girls into marriage took hold decades ago throughout sub-Saharan Africa and is especially widespread in countries there with large Muslim populations.

The marriages typically occur within clans, the girl compelled to wed a distant relative — often two or three times her age — who sometimes has chosen her long before puberty.

Experts on Islamic law say the Koran teaches that a girl can be married as soon as she can conceive, but they say the religion does not condone forcing girls into wedlock.

Sociologists and teachers of Islamic law say that West African Muslims have accepted the tradition because it ostensibly promotes social stability, cementing ties between clans and preventing promiscuity.

Activists and medical professionals say preadolescent marriage is partly responsible for Africa's maternal mortality rates, among the highest in the world. Miss Yai says it is not unusual for both mother and child to die during birth.

"Often the girls are pulled from school and forced to drop their education and become a wife overnight," she said. "These young women cannot turn to anyone to say no or to seek help." The real reason the practice has prevailed is that families often receive hundreds, even thousands of dollars as dowry, she said. "It is what keeps this practice alive."

But the practice has come under increasing assault since last year, when Fanta Keita, then 12, killed her 30-year-old husband. Fanta has a heart-shaped face, a simple, sweet smile, bright, almond-shaped eyes and a tiny voice. You cannot imagine her slitting someone's throat.

But that is what she did in April 1996. She killed her husband of three weeks, was arrested the next day and, largely because of Miss Yai's Ivorian Association for the Defense of Women, almost immediately became a cause.



Carol Guzy/The Washington Post

As the griots dance and sing to the accompaniment of drums, Aisha Camara, 14, peers through her veil as she awaits her wedding.



Fanta's parents had forced her to marry a distant cousin she had never heard of or seen. Fanta and her husband lived together in Abidjan.

Every night, she said, he asked her for sex. Every night she said no. He would then batter her on the face and head. Then, every night, he would rape her.

One Saturday night, he came into their house and asked her to draw water for a bath. She said no. He asked why. She said she just did not want to. He left.

HE HAD TOLD Fanta that if she refused to draw his water, she could not go to a neighbor's house. She went anyway, watched television and ate dinner, and when she returned, he was waiting for her.

After he beat her and raped her again, he went to sleep. She slipped into the kitchen and — she put her head on the table, covering up with her arms as she said this — "I took the knife and I cut him."

The police held her in the women's section of the Abidjan prison for nearly a year before women's rights groups prevailed on President Henri Konan Bedie to free her, at least until her trial.

Now activists from Miss Yai's group shelter her during the week, and on weekends she lives at Miss Yai's house. Fanta's case has galvanized women's rights activists to press the government to publicize a 30-year-old law that outlaws early and forced marriage.

"We have to let these young girls know they have the right to refuse this type of practice," said Miss Yai, who sat next to Fanta during the interview. This month, another campaign is designed to let the police know that "when a young girl comes to the police, they must help her instead of saying, 'That's a family problem.'"

Mr. Maiga had not heard of Fanta Keita until recently. He does not hold much sympathy for her. "In Islam, when the girl is married, her husband is just under God," he said. "You should obey him, no matter what."

Mr. Maiga, a short, square-shouldered man with a trimmed white beard, defends early marriage without shame or self-consciousness. In an ideal world, a woman would not be married until 18, he says, but we do not live in an ideal world.

It is a world in which girls chase boys, have sex, produce babies, earn reputations, shame families, he said. "Your neighbors won't respect you," he said in Fulani, his tribal language. "They will say I failed to fulfill my duties as a father."

He said Azara, his daughter who married last year at age 12, frequently would leave the house and return hours later, and he would not know where she had been. Once he tied her up, burned her back with a piece of iron, then locked her in a room for three days without food. He laughed as he told this story; so did the men nearby.

He never sent Azara to school because if girls went to "modern" school, they might meet people who would drive them from their traditions. Educated girls "argue with their parents," he said, adding: "They start asking questions. They want to have a say in everything in their life."

And educated girls, he said, do not want to marry until they are 19 or 20.

As soon as he married off Azara, "I got peace of mind," Mr. Maiga said. "She was no longer my problem."

She became Ibrahim Haidara's "problem." Mr. Haidara, 41, has known Mr. Maiga for years, and he first saw Azara at Mr. Maiga's house. He says he picked her to be his bride when she was 6 years old.

Mr. Haidara, a fisherman and farmer, is an educated man who speaks fluent French and gives instruction in the Koran. Asked about the case of Fanta Keita, he said her husband "deserved what he got."

Yet he defended the tradition that Fanta struck out against. He said marrying a 12-year-old is fine because "it's the parents" — both the man's and the girl's — who make the decision.

TWA 800 Probe Enters Lawyers' Flight Path

By Andrew C. Revkin
New York Times Service

BALTIMORE — In 6,000 pages of documents and more than 35 hours of testimony presented last week, dozens of aviation engineers and scientists laid out their analysis of the explosion that destroyed Trans World Airlines Flight 800, seeking to assign a cause to the catastrophe.

And no one listened more carefully during the National Transportation Safety Administration hearings than the bevy of lawyers who are trying to assign blame for the crash more than 17 months ago that killed 230 people.

Just as aviation investigators are seeking ways to guard against fuel-tank explosions without knowing precisely what ignited the one on Flight 800, the lawyers are trying to assess liability despite this critical gap in evidence.

With 150 lawsuits already filed by victim's relatives, amounting to $1 billion in potential claims against TWA, Boeing and others, it was hardly surprising that on most days of the hearing last week, lawyers occupied as many seats as scientists and engineers in the cavernous, dimly lighted ballroom of the Baltimore Convention Center.

The plaintiffs' lawyers and their aides studiously took notes in laptop computers or on legal pads, sitting just behind the three long sets of tables occupied by relatives of those who died.

In the final hours of the hearing, the meeting halls became a hive of discussions and strategy sessions as lawyers, victims' relatives and officials of TWA and Boeing girded for would could be years of legal and financial wrangling.

The lawyers representing the families have two challenges if they are to succeed: They must first prove that the companies are to blame and then must find ways around an international treaty and a law that limit damages in cases in which a jet crashes while on an international route or over international waters.

Neither will be easy, aviation lawyers say, even though the only possible causes of the crash that might absolve the airline and the manufacturer — a criminal act or an act of God, like a meteorite — have been ruled out. To overcome a $75,000 limit on damages under an international treaty on crashes of overseas flights, the lawyers must prove willful misconduct on the part of TWA.

And then there is the challenge of proving a case for a particular cause of the crash. Several aviation lawyers who have represented airlines in similar suits said that the absence of clues to what ignited the blast in the center fuel tank on Flight 800, which has proved exasperating to investigators, may also prove so to lawyers for the families as they try to build convincing cases.

"It's a basic concept from Law 101: the party with the burden of proof has got to prove something," said Bonnie Cohen, a lawyer from San Francisco who for more than 15 years has represented airlines in suits resulting from plane crashes.

"Suppose it turned out to be bad fuel or something else?" Ms. Cohen said. "Wouldn't it be unfair for the shareholders of TWA to pay for something that wasn't their fault?"

But Lee Kreindler, a Manhattan lawyer whose firm is representing families of 80 of the 230 victims, says the case is as basic as the ancient phrase of law: *Res ipsa loquitur*. The thing speaks for itself.

The Boeing 747 exploded when one of many potential sources of a spark ignited fuel vapor in its overheated center fuel tank. Given those facts, the case is "garden-variety product liability," Mr. Kreindler said.

Families have until July 17, two years after the crash, to initiate suits.

Frank Granito Jr., a New York lawyer whose firm is representing the families of 54 victims, said the hearings also provided a kind of casting call for witnesses. He and the other lawyers were able to observe the style and communications skills of dozens of experts, many of whom might be called to testify in coming liability and damage trials.

Lawyers generally advise against any contact between family members and executives of the airline and manufacturer for fear that it might weaken legal cases later on.

In a significant shift last week, Boeing and the families quietly broke down that wall, meeting for two hours to discuss various issues, ranging from the design of the plane to the need for some short-term financial aid for families or orphaned children with financial problems.

Family members asked TWA and Boeing to contribute to a family assistance fund that would be maintained by the safety board. "The litigation could take years, but in the meantime some people are in a terrific squeeze," said John Seaman, a resident of Clifton Park, New York, whose niece, Michele Becker, 19, died in the crash.

Mr. Seaman said that the families planned to shift $21,000 from a fund established after the crash to start the account and that they would approach other airlines, as well as groups representing airline employees, to contribute. Boeing and TWA officials agreed to make donations but did not set amounts.

Perhaps the biggest challenge of all would be to find ways to make sure that there are no limits to damages that can be levied against the companies, particularly the airline.

Because the plane was on an international route and crashed in international waters, the accident could be governed by international treaties and a 77-year-old law called the Death on the High Seas Act, which could limit how much money can be recouped from the airline.

The House has passed legislation that would exempt airline accidents from the old maritime law, which was intended to provide benefits to the widows and orphans of merchant seamen. The law would apply to any Flight 800 lawsuits. But the Senate has put off consideration of its version of the bill at least until January.

Because of the international pact, the Warsaw Treaty, the families can collect only a maximum of $75,000 from the airline unless they can prove the crash was the result of "willful misconduct." Mr. Kreindler said. But he added that he had been able to win a $500 million case on those grounds against Pan American after the bombing of a Boeing 747 over Scotland in 1989.

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Hotel Sofitel
METROPOLE HANOI

15 NGO QUYEN STREET, HANOI, SOCIALIST REPUBLIC OF VIETNAM.
TEL : (84.4) 8.266 919
FAX : (84.4) 8.266 920
E-MAIL : Sofmet@netnam.org.vn

TRAVEL UPDATE

Strike Threatens Thalys

BRUSSELS (AFP) — The new high-speed rail link between Paris and Brussels carried its first passengers Sunday, just as trade union leaders predicted widespread disruption with a strike the following day.

The Thalys rail service nips 33 minutes off travel time between the two capitals and improves links from France to northern Europe.

But a Belgian union covering rail workers called a strike for Monday, saying no Thalys or TGV trains heading for Lille, Disneyland Paris or the south of France should be allowed to leave Brussels.

The French airline Corsair will suspend its weekly flights to the Comoro Islands on January. Local businessmen said there had not been enough tourist traffic for it to keep flying to the Indian Ocean islands. *(Reuters)*

As a flood watch was posted for most of central Florida, heavy rain fell across parts of the state, flooding streets and threatening to push streams out of their banks. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

TUESDAY: Bahrain, Bangladesh, Kazakhstan, South Africa.

WEDNESDAY: Bhutan.

THURSDAY: Niger, South Korea.

Sources: J.P. Morgan, Reuters, Bloomberg

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	17/62	14/57 sh	18/64	14/57 r
Amsterdam	1/34	-5/24 pc	-3/27	-8/22 pc
Ankara	7/44	-2/35 sh	7/44	-3/27 r
Athens	14/57	9/48 r	8/46	7/44 sh
Barcelona	8/46	-2/29 s	8/46	6/43 sh
Belgrade	-1/31	-6/22 s	-5/24	-9/16 sn
Berlin	-3/27	-9/16 pc	-5/22	-7/20 pc
Brussels	1/34	-6/22 pc	-4/25	-8/24 c
Budapest	-2/29	-5/24 sn	-4/25	-7/20 sn
Copenhagen	1/34	-3/27 pc	1/34	-3/29 pc
Costa Del Sol	19/66	12/53 pc	17/62	13/55 r
Dublin	7/44	1/34 s	3/37	-3/27 s
Edinburgh	5/41	-1/31 pc	3/37	-3/27 pc
Florence	3/37	-1/31 sn	2/35	-2/29 sn
Frankfurt	-4/25	-11/13 pc	-5/22	-7/20 pc
Geneva	-2/29	-7/20 c	-2/29	-7/20 pc
Helsinki	-4/25	-9/22 pc	3/37	2/35 sn
Istanbul	10/50	7/44 r	9/48	1/34 r
Kiev	+11/13	-1/72 s	+12/11	-1/31 s
Las Palmas	24/75	20/68 c	23/71	21/70 c
Lisbon	13/55	11/52 sh	16/61	13/55 c
London	4/39	-3/27 pc	-1/31	-4/25 pc
Madrid	11/52	4/39 pc	8/46	4/39 r
Mallorca	12/53	2/35 pc	12/53	6/43 pc
Milan	-1/31	-9/16 sn	-3/27	-9/16 pc
Moscow	-16/1	-18/0 s	-9/16	-10/15 sf
Munich	-6/22	-12/11 sn	-6/22	-10/15 c
Nice	7/44	3/37 r	5/41	2/35 sh
Oslo	-1/31	-4/25 pc	1/34	0/32 sn
Paris	-1/31	-7/20 c	-4/25	-6/22 c
Prague	-6/22	-11/13 sn	-7/20	-9/16 c
Reykjavik	11/52	6/43 r	8/46	4/39 c
Riga	-6/22	-9/16 s	-2/29	-2/29 pc
Rome	6/43	2/35 sn	10/50	3/37 pc
St. Petersburg	-7/20	-9/16 s	2/35	1/34 sn
Stockholm	-1/31	-4/25 pc	2/35	2/35 sn
Strasbourg	-3/29	-7/20 sn	-3/27	-7/20 pc
Tallinn	-4/25	-6/22 pc	2/35	2/35 sn
Tbilisi	14/57	6/43 sh	8/46	0/32 r
Venice	0/32	-6/22 sn	-3/27	-8/18 sn
Vienna	-4/25	-8/18 sn	-5/22	-8/18 sn
Warsaw	-8/18	-12/11 c	-7/20	-8/18 s
Zurich	-2/29	-7/20 sf	-4/25	-7/20 c

Middle East

Abu Dhabi	28/70	19/66 s	25/77	14/57 s
Beirut	18/66	13/55 s	19/64	12/53 sh
Cairo	22/71	9/48 s	18/64	9/48 s
Damascus	17/62	5/41 s	15/59	6/43 c
Jerusalem	16/61	8/43 s	12/53	5/41 pc
Luxor	24/75	9/48 s	24/75	3/37 s
Riyadh	25/68	9/48 s	24/75	12/53 s

Africa

Algiers	17/62	7/44 pc	17/62	10/50 c
Cape Town	28/84	17/62 pc	22/71	9/48 pc
Casablanca	22/71	13/55 pc	16/61	14/57 r
Harare	27/80	7/44 pc	26/62	9/48 s
Lagos	31/88	23/71 s	32/89	23/73 s
Nairobi	27/80	13/55 pc	27/80	13/55 c
Tunis	12/53	7/44 sh	15/59	10/50 pc

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
With the northern branch of the jetstream over northern Canada, the Plains will continue to be warmer than normal Tuesday through Thursday. Another storm, spawned by the southern branch of the jetstream, will bring more rain to the already wet southeastern U.S.

Europe
Very cold air will move westward across northern and central Russia Tuesday through Thursday. An active southern branch of the jetstream will bring an intense storm and locally heavy rain to the eastern Mediterranean. The remainder of Europe will average near normal.

Asia
Very cold air will remain over Siberia and Mongolia Tuesday through Thursday. Temperatures and precipitation will average near normal for the remainder of the continent. Clouds will continue to shroud southern China and Indochina. Rain will dampen Japan on Wednesday.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hcn, W-Weather.

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Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	4/39	-4/25 c	6/43	-1/31 c
Bali	33/91	22/71 c	33/91	21/70 pc
Bangkok	32/89	23/73 pc	32/89	22/71 pc
Beijing	8/46	-3/27 s	6/43	-2/35 s
Bombay	29/84	18/64 pc	28/82	19/66 pc
Calcutta	23/71	12/53 pc	23/73	11/52 pc
Chiang Mai	29/84	17/62 pc	30/86	17/62 pc
Colombo	30/86	23/73 r	30/86	23/73 pc
Hanoi	25/77	21/70 c	27/80	22/71 pc
Ho Chi Minh	33/91	23/73 pc	33/91	22/71 pc
Hong Kong	23/73	20/68 pc	26/79	21/70 pc
Islamabad	19/64	4/39 c	19/66	3/37 pc
Jakarta	29/82	26/79 t	29/84	23/73 sh
Karachi	27/80	11/52 s	27/80	11/52 s
K. Lumpur	32/89	22/71 r	31/88	22/71 r
K. Kinabalu	29/84	23/73 r	28/82	23/73 pc
Manila	32/89	21/70 s	30/86	21/70 pc
New Delhi	15/59	9/48 c	18/64	8/43 pc
Phnom Penh	32/89	23/73 pc	32/89	23/73 pc
Phuket	32/89	23/73 pc	32/89	22/71 pc
Rangoon	31/88	19/66 pc	31/88	19/66 pc
Seoul	5/41	-4/25 s	6/43	-1/31 pc
Shanghai	14/57	11/52 pc	16/61	12/53 r
Singapore	28/82	22/71 r	28/82	23/73 r
Taipei	24/75	21/70 c	27/80	21/70 pc
Tokyo	13/55	7/44 s	11/52	8/46 s
Vientiane	31/88	19/64 pc	31/88	18/64 pc

North America

Anchorage	-13/9	-18/0 c	-13/9	-17/2 sn
Atlanta	10/50	1/34 s	13/55	3/37 s
Boston	-2/29	-4/25 sf	6/43	1/34 pc
Chicago	10/50	2/35 s	8/46	-1/31 pc
Dallas	18/64	4/39 s	18/61	2/35 pc
Denver	14/57	-7/20 s	10/50	-4/25 pc
Detroit	8/46	5/35 s	8/46	1/34 pc
Honolulu	25/77	18/64 s	28/82	21/70 pc
Houston	19/66	3/37 s	19/66	3/37 pc
Los Angeles	18/64	10/50 s	22/71	7/44 pc
Miami	18/64	8/46 s	21/70	13/55 sh
Minneapolis	10/50	-2/29 s	3/37	-4/25 pc
Montreal	-4/25	-8/22 c	6/46	0/32 pc
Nassau	23/73	13/55 pc	22/71	17/62 pc
New York	3/37	0/32 s	9/48	3/37 pc
Orlando	13/55	3/37 pc	18/64	9/48 sh
Phoenix	20/68	6/43 s	19/66	7/44 s
San Fran	12/53	7/44 pc	14/57	8/46 pc
Seattle	9/48	7/44 r	11/52	5/41 sh
Toronto	7/44	1/34 pc	12/53	1/34 pc
Vancouver	8/46	6/46 r	10/50	0/32 pc
Washington	7/44	1/34 s	11/52	3/37 pc

Latin America

Buenos Aires	32/71	11/52 pc	21/70	11/52 pc
Caracas	28/82	18/64 s	27/80	20/68 pc
Lima	25/77	20/68 sh	24/75	20/68 sh
Mexico City	19/66	4/39 s	16/61	5/41 sh
Rio de Janeiro	30/86	24/75 t	29/84	23/73 t
Santiago	29/84	6/43 s	28/82	7/44 s

Oceania

Auckland	21/70	17/62 pc	21/70	16/61 r
Sydney	24/75	17/62 s	26/79	21/70 s

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Getty Center Set to Open in L.A.

The Associated Press

LOS ANGELES — The Getty Center, a $1 billion hilltop monument to art and architecture, is set to open Tuesday, with its supporters hoping the complex will refute the notion that Los Angeles has second-rate culture.

Governor Pete Wilson said at a ribbon-cutting ceremony Saturday, "There is no way we can estimate the value of this gift to Los Angeles."

Planned, designed and constructed over 13 years, the center's 24-acre (10-hectare) campus on a 110-acre site is both a museum and an arts complex.

Most of the estimated 1.5 million annual visitors will spend their time in the museum's 50 galleries. The collection is tightly focused, mostly on pre-20th century European paintings, drawings, manuscripts, sculpture and decorative arts.

Staff and scholars will use the Getty's research facility, conservation institute and arts education wings.

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THE AMERICAS

Pentagon Takes First Steps to Prevent Any Germ Attacks by Terrorists

By Bradley Graham
Washington Post Service

DUGWAY PROVING GROUND, Utah — A pioneering Marine Corps unit, trained to respond to germ and poison gas attacks, started showing up beside traditional law enforcement organizations at some major events in the United States recently — a sign of the government's growing concern about the threat from biological and chemical weapons.

The team made its quiet debut at the 1996 Summer Olympics in Atlanta. Bunked in a wine warehouse, the elite group suited up when an explosion shook Centennial Park, bracing for mass casualties before the blast was traced to a small conventional bomb.

Since then, the Marine unit, as well as a special army detachment similarly equipped with biochemical protective gear and detection devices, monitored President Bill Clinton's second inauguration in January and hovered near a meeting of the industrialized nations' leaders in Denver last June.

Despite these and other precautions, however, U.S. officials acknowledge that efforts to protect the country against germ weapons are in their infancy and that military resources are inadequate to cope with attacks involving lethal substances capable of killing tens of thousands of people.

"We are not currently equipped to handle a widespread terrorist attack that would involve biological weapons," said John Hamre, the deputy secretary of defense. "We're beginning to bring together the pieces, but we're not there yet."

The specter of annihilation by killer pathogens or toxins has replaced the Cold War nightmare of extermination by massive nuclear attack.

Defense Secretary William Cohen held up a five-pound bag of sugar on national television last month to dramatize how, with an equivalent amount of anthrax, 2.2 kilograms, Iraq could eliminate at least half the population of Washington.

Recent defense studies have warned that the spread of information about how to produce and deliver poisonous agents, coupled with efforts by hostile states and terrorist groups to find less conventional means to challenge the United States, has raised the risk of biological or chemical attack.

For the military, the heightened threat provides new missions and the prospect of billions of dollars for added equipment, much of it still in development.

While the increased emphasis on this problem coincides with the waning of the old Soviet nuclear threat and efforts to stave off further defense cuts, Pentagon officials and specialists in the field say they are not inventing a new threat or exaggerating its urgency.

Defense experts raise particular alarm in the case of biological weapons. They say that while U.S. military forces have made advances in defending against chemical attack, American troops remain inadequately equipped, poorly trained and insufficiently immunized to confront germ warfare. American cities are even more vulnerable to the sneak release of biological agents in subway systems or outside the unguarded vents of office buildings.

A report due to be issued next month by the Defense Science Board, an independent advisory panel to Pentagon leaders, faults existing military capabilities to detect and respond to biological attack and says efforts to improve defenses have "stretched thin" current personnel and capabilities.

The report urges a tenfold increase in intelligence funding to track the germ warfare threat, the expansion of medical and other military response teams, greater cooperation with civilian biotechnology experts, and a new program with Moscow to keep displaced Russian experts from selling their germ warfare know-how to foreign bidders.

Here at the military's only facility for field testing of biological and chemical defenses, 60 miles (about 95 kilometers) west of Salt Lake City, U.S. military forces experimented last week with new devices for analyzing airborne germ agents. Air detection is crucial to confirming an attack is under way and identifying the agent because the fastest way to infect large populations is through the lungs.

It was only in October last year that the army fielded its first biological detection unit, a heavy Humvee all-terrain vehicle with a two-person crew operating a medical diagnostic lab. That detection system is too big and cumbersome for rapid deployment to a U.S. city under biological attack, so the military is researching smaller, lighter and more mobile units for domestic emergencies.

Even the most sophisticated military germ detectors rely on placing air samples in wet solutions to identify harmful substances, a process that can take 45 minutes or more. Immediate analysis of airborne agents will require an electronic system, yet to be perfected, according to Brigadier General John Doesburg of the army, who oversees Pentagon development of battlefield detectors.

Both the army and the Marine Corps have emergency response teams on 24-hour alert to assist law enforcement and public health officials around the country in the event of a domestic germ attack. But in combined exercises here over the past week, these units still were learning how to coordinate their sometimes overlapping responsibilities.

Numbering only several hundred in all, members of the army's Technical Escort Unit and the Marine Corps' Chemical Biological Incident Response Force conceded they would be easily overwhelmed in a real attack involving massive casualties. Without advance warning, defense officials said, the military groups could take up to four hours just getting to an airport before flying to the crisis zone.

Following a review this year, Mr. Cohen added about $500 million to chemical and biological defense programs over the next five years, an increase of roughly 20 percent over what had been planned. Much of the money is to go for the purchase of lighter-weight protection suits, improved detection devices, better decontamination solutions and new vaccines.

For all the worry about the potential of germ attack, defense officials and civilian specialists say that making and delivering a biological weapon is not easy. Microscopic anthrax spores, for instance, require a high degree of technical sophistication to separate and collect and then disseminate using an aerosol system.

A Pentagon report on weapons proliferation observed last month that "most terrorist organizations have shown little proclivity to develop and use" biological and chemical weapons.

But the March 1995 release of the nerve agent sarin in Tokyo's subway system by Aum Shinrikyo, a religious group, was alarming. The attack, which killed 12 people and injured about 5,500, demonstrated that terrorist groups have resources comparable to some foreign governments.

AMERICAN TOPICS

An 'Epidemic of Incivility' Rages in Local Politics

The words "civility" and "politics" have never fit very comfortably in the same phrase, and a good political fight is a time-honored American tradition. But in recent years a rise in incivility in town and county council meetings and school board assemblies has become so grave as to raise national concerns.

At a meeting in Rockford, Illinois, the angry school board president grabbed a fellow member by the throat; in normally placid Cedar Rapids, Iowa, disgruntled voters sometimes disturb City Council meetings with loud humming; in Gilbert, Arizona, an outraged crowd had one city councilman nervously looking for the exit.

The rise in boorish and even violent behavior by angry citizens led the National League of Cities to make the phenomenon its top focus this year, reports The New York Times. Governing Magazine has deplored an "epidemic of incivility."

Analysts cited several factors: Washington has pushed several issues back to local governments for financing and decision making; open-meeting laws are exposing previously hidden dissent; the mobility of Americans means that town meetings are often a collection of strangers, not old friends, and society as a whole has become more impatient, quicker to cry foul.

But some local boards have had enough. In Lake Forest, Illinois, which is famous for its fairy-tale estates, anger at the Town Council led to smashed mailboxes and obscene telephone calls.

The town is now circulating a paper on "Civility and Public Discourse," urging public officials to lead by example. In Scottsdale, Arizona, officials are creating laminated seat cards to offer tips on good manners to those attending meetings.



Nigel Cook/The Associated Press

FLORIDA SANTA — Scott Davis escaping the rain in Daytona Beach.

Short Takes

Educators report a dramatic surge in the number of Jewish schools. At least 10 Jewish high schools opened across the country in September, reports The Boston Globe. The largest, in Waltham, Massachusetts, already has a long waiting list. In the last six years, at least 40 Jewish schools have opened in cities from Atlanta to New York. A force behind the trend apparently is a growing fear that the religious foundations of American Jewry are being undermined by assimilation. "There is a great deal of hand-wringing about the perils of creating a generation of Jews who are Jews in name only," said Ethan Abrams, a Jewish education consultant in Chicago.

New Jersey might have the answer to the problem of what to do with all the personal computers, video-cassette recorders and televisions stashed in people's closets or thrown away. Union County has opened a recycling center for consumer electronics, a first in the country, according to Popular Mechanics. Garbage collectors bring the discarded equipment to the center, where it is tested. Depending on its condition, it is sold to used equipment dealers or dismantled for parts and scrap. The center hopes to become self-supporting within two years.

Childhood researchers at the University of Buffalo, in New York, say that when a parent places a young child on the lap of a department-store Santa Claus, the child can suffer from something called separation anxiety, when he or she loses sight of the parent, even briefly. For a child, that anxiety — even more than the scratchy beard and the sea of red velour — can be wrenching.

"I've seen so many terrified children thrust upon Santa's lap," said James Hoot, a professor at the university who has studied the matter. One mother spent 45 minutes waiting for her child to stop crying long enough to take a picture.

Mr. Hoot calls that "abusive." He suggests that until a child is old enough to understand, a parent might consider sitting on Santa's other knee.

Perhaps someone should warn Santa.

Brian Knowlton

Climate Treaty Faces Political Battle

By Dan Balz
Washington Post Service

WASHINGTON — In the crudest of terms, the battle over the new global warming treaty pits the politics of gloom — eventual environmental catastrophe — against the politics of fear — the ruin of the U.S. economy.

Or at least that may seem like the argument as supporters and opponents of the treaty negotiated in Kyoto last week begin what promises to be a contentious and protracted struggle.

The reality is more complex and subtle. What looms is a lengthy political debate over science and sovereignty, economics and the environment, and America's role as a global leader. It is a debate that may cut across traditional coalitions even as it confronts politicians and the political parties with difficult choices.

For President Bill Clinton and Vice President Al Gore, the challenge is enormous. They must persuade the country to begin to move aggressively to reduce emissions of greenhouse gases even as they acknowledge they have brought back a treaty flawed by the exclusion of many of the biggest future polluters.

For Republicans, the challenge is different. They will try to sink the treaty on grounds of economics and international sovereignty without reinforcing public perceptions that they are the anti-environment party.

Already, it is clear that both sides recognize the dangers they face. Mr. Clinton and Mr. Gore have emphasized that they will not send the Kyoto treaty to the Senate for ratification, where it faces almost certain defeat right now, unless they gain the cooperation of such major developing nations as China, Mexico and Brazil in the fight to reduce emissions.

The Republican strategy appears to hinge on attacking the shortcomings of the Kyoto process and the details of the agreement without having to take a clear position on

NEWS ANALYSIS

whether global warming threatens the planet and, if it does, what they may be prepared to do to reduce that threat.

"The particular question of a global warming treaty is completely undefined in the public mind," said Geoff Garin, a Democratic pollster. "So the ultimate battle is a battle to define the fight. The proponents will try to define it over environmental concerns. The opponents will have both an economic definition and the idea of internationalism to pick at."

Mr. Clinton and Mr. Gore will have the bully pulpit of the White House; the treaty's opponents will have millions and millions of dollars for television ads, and each side will attempt to claim a piece of the moral high ground.

But it is quite possible that the two sides will be talking past one another in the coming debate. In that sense, this environmental fight may be different than past battles of clean air or clean water legislation.

Administration officials say they see the issue very much in foreign policy terms — as the beginning stage of what they expect could be a decade-long series of international negotiations that, step by step, will lead the world's countries to agree on collective action to safeguard the planet.

Judged from that perspective, the choice U.S. negotiators at Kyoto had was clear: They could either help broker a flawed deal that nonetheless locked in potentially significant changes and preserved U.S. influence for future negotiations, or walk away from the table, see the entire effort collapse and turn the United States into an outcast in future discussions.

"It's the difference between being an international leader on climate change, with considerable leverage, and being an international outlier who would have had little credibility to keep pushing the process forward," said Gene Sperling, the head of the White House National Economic Council.

International considerations weighed heavily on administration officials. Before the Kyoto conference, the U.S. position calling for holding emissions to 1990 standards had drawn sharp criticism from European allies.

"A couple of months ago when a lot of countries doubted we were serious, we couldn't get people to listen to us or talk to us," a senior administration official said. "By Kyoto we were able to be a broker to the agreement, so it's hard to say that showing some commitment doesn't increase your leverage."

Another senior official said the U.S. strategy all along was to see what could be achieved at Kyoto, delay sending the treaty to the Senate for ratification, and attempt to corral the developing countries into the process through later negotiations.

"We had in mind this two-step process: Get a good agreement in Kyoto, make clear it was a partial solution and not try for ratification immediately, and then try to get agreement from the developing countries," the official said.

But industry officials and Republican leaders take issue with the administration's contention that what they achieved in Kyoto was a good agreement.

"We sacrificed the future well-being of the country based on environmental correctness and inconclusive science," the House speaker, Newt Gingrich, Republican of Georgia, said in a letter to the president.

Saying "the very future of the United States is at stake," Mr. Gingrich argued that the costs of the agreement were "an outrage" that could "cripple our economy."

He urged Mr. Clinton to "safeguard America's interests" and not sign the treaty until he had consulted further with Congress.

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POLITICAL NOTES

Republicans Draw In Battle Over Lee

WASHINGTON — Senate Republicans are threatening to block nominees from the Clinton administration and freeze money for its programs if the president makes a temporary appointment this week without Senate approval to name Bill Lann Lee to the nation's top civil rights enforcement post.

Senator Orrin Hatch, Republican of Utah, who heads the Judiciary Committee and is the leading opponent of Mr. Lee's nomination, said in an interview Friday that Bill Clinton would suffer "all kinds of problems" on Capitol Hill if he appointed Mr. Lee early this week, as expected.

Senator Trent Lott of Mississippi, the majority leader, has repeatedly warned President Clinton against bypassing the confirmation process to appoint Mr. Lee assistant attorney general for civil rights. As recently as Friday, Mr. Lott told the White House that such an appointment would "poison the relationship" between the White House and the Senate, an aide to Mr. Lott said.

Senate Republican leaders have accused Mr. Lee, who is a Chinese-American son of immigrants, of holding unconstitutional views on race-based preferences. *(NYT)*

Child-Care Proposals

WASHINGTON — President Bill Clinton will soon propose a major initiative to help working families obtain child care, with a variety of new federal subsidies and tax breaks, administration officials say.

The purpose of the proposals, to be included in the president's State of the Union message in January and in his budget request, is to increase the supply of child care and to improve its quality.

Although some details are not yet final, officials said Mr. Clinton had decided not to propose national child-care standards. *(NYT)*

Quote/Unquote

President Bill Clinton, wrapping up a hectic season of campaign fund-raising before a home state crowd, likening Republican opponents to a swarm of Arkansas mosquitoes: "You just swat 'em and go on." *(AP)*

Away From Politics

• **Most Americans support racial diversity** in schools and the workplace but are against some of the methods used to achieve it, a New York Times-CBS News poll indicated. Of those surveyed, most were against ending affirmative action immediately, but disapproved of using race as a factor in hiring and school admissions. *(AP)*

• **Citing an internal audit,** the Internal Revenue Service has admitted that taxpayers' rights are abused by a systemwide climate of high pressure that encourages IRS auditors to go to improper lengths to meet statistical benchmarks. *(NYT)*

• **In a blow to environmentalists,** a federal judge in Wyoming has ruled that the Clinton administration's reintroduction of gray wolves into Yellowstone National Park and central Idaho three years ago was unlawful and has ordered federal biologists to remove the two populations, which now number more than 150 animals. *(WP)*

Government of the People's Republic of Bangladesh
JAMUNA MULTIPURPOSE BRIDGE AUTHORITY
BANGABANDHU BRIDGE TOURISM DEVELOPMENT PROJECT
BANGLADESH

The Jamuna Multipurpose Bridge Authority (JMBA) is responsible to the Government for the implementation and operation of the internationally funded Jamuna Multipurpose Bridge Project in central Bangladesh. The project, which will be completed in mid-1998, involves a major road, rail and power crossing and associated approach road, toll plazas, infrastructure works and land reclamation. At the heart of the project is the Bangabandhu Bridge, a graceful 4.8 km long bridge spanning the mighty 10 km wide Jamuna River.

JMBA now wishes to develop part of the extensive areas of land reclamation and the housing and amenities which were established to implement the project, for tourism and recreational purposes and as a venue for holding national and international conferences. Companies or consortia who are interested in bidding for an exclusive concession to develop, finance, implement, manage and operate this commercial enterprise are invited to submit a Letter of Interest to JMBA. Those who are able to demonstrate to JMBA in their Letters of Interest that they have the necessary experience and financial backing to undertake such an enterprise will be issued with a Concept Document setting out the framework and programme for progressing the **Bangabandhu Bridge Tourism Development Project.**

Letters of interest and supporting documentation should be submitted to The Executive Director, Jamuna Multipurpose Bridge Authority, Allenbury, Tejgaon, Dhaka 1215, Bangladesh (Fax: +880-2-813496, E-mail: jmba@citechco.net) not later than 15 January 1998.



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INTERNATIONAL

Giovanni Agnelli, Fiat Heir, 33, Dies

By Alan Friedman
International Herald Tribune

PARIS — Italy went into mourning Sunday after the death over the weekend of Giovanni Alberto Agnelli, the 33-year-old heir apparent and designated future chairman of the Fiat group.

Mr. Agnelli, an immensely popular national figure who was the nephew of Fiat's honorary president, Gianni Agnelli, died Saturday after a nine-month battle against a rare form of stomach cancer.

Mr. Agnelli was buried early Sunday morning at a private ceremony in Turin attended by close family members, including Avery Howe Agnelli, his American wife of 13 months. He also left behind a baby daughter, Virginia Asia, who was born in September.

Giovanni Alberto Agnelli was born in Milan on April 19, 1964. His father was Umberto Agnelli, grandson of the founder of Fiat, Giovanni Agnelli, and the younger brother of Gianni. His mother was Antonella Piaggio, of the eponymous motor scooter company that is based in Tuscany.

Mr. Agnelli, who was educated at McCallie Academy in Chattanooga, Tennessee, and at Brown University in Providence, Rhode Island, was chairman of Piaggio. In recent years he had turned the company around and built it into the European market leader and the fourth-biggest scooter maker in the world, after Honda, Suzuki and Yamaha of Japan.

The Italian public, and the media, loved the young Agnelli and considered him an Italian version of John F. Kennedy Jr. He was rich, strikingly handsome, always smiling and the leading voice of his generation.

The death of Mr. Agnelli will reignite speculation about who will take over the chairmanship of Fiat when Cesare Romiti, 74, steps down this year or next. In 1995, the young Mr. Agnelli became known as the "crown prince of Fiat" when he was publicly anointed as the successor by his uncle Gianni, who called him "the most qualified" member of the family to take over.

In national terms, the loss of Mr. Agnelli is a setback for millions of Italians who saw him as a symbol of generational change, as a spokesman for the need to reform Italy's clubby and oligarchic system of capitalism and as an ardent supporter of political reforms.

Mr. Agnelli was a supporter of progressive center-left politicians and also an outspoken critic of old-style practices in Italian and European capitalism. In an interview in 1996 with the International Herald Tribune, he warned that the Italian economy would suffer unless there was soon a "generational change" among its top managers and "more of a free-market approach" in finance and industry.

Unusually, Mr. Agnelli extended the criticism to his own family, saying, "The establishment should follow the rules of the market more because more competition is good for consumers, industry and investors." Many Italians were struck when Mr. Agnelli, a member of the Fiat board, said: "That establishment includes, of course, my own family. I cannot exempt Fiat from what I am saying."

Mr. Agnelli, who lived in a 16th century villa not far from the Piaggio headquarters near Pisa in Tuscany, announced last April that he had been diagnosed with cancer. He underwent several months of chemotherapy at Memorial Sloan-Kettering Hospital in New York, before returning home to Turin in August.

Italy's business and political elite offered condolences as soon as the news of Mr. Agnelli's death broke Saturday.

"He was the symbol of youth," said Prime Minister Romano Prodi, while attending a summit meeting of European Union leaders in Luxembourg. "He died just as he was beginning to collect the fruits of life."

Claude Roy, 82, Writer and Poet

PARIS (AP) — The French poet and journalist Claude Roy, 82, a prolific writer of humorous and optimistic prose and verse, died Saturday, the Culture Ministry announced.

Mr. Roy, who had just released his latest book, "Treasury of French Poetry," an anthology, had been battling lung cancer for several years.

Prime Minister Lionel Jospin said Mr. Roy, a "writer of talent, left a moving collection of poetry and romance."

The writer Octavio Paz once called Mr. Roy's humor "a bet in favor of life."

A frequent collaborator of the current affairs magazine, Nouvel Observateur, Mr. Roy was also an art critic who wrote about Rembrandt, Picasso, Balthus and the Chinese painter, Zao Wou-Ki.

He was known as well for his travel pieces on the Soviet Union, the United States and China.

Among his most famous works were "L'Enfance de l'art" (1942), "Le Soleil sur la Terre" (1956), "Leone et les siens" (1963), "La traversee du Pont des Arts" (1979) and "Les Pas du silence" (1993).

He also wrote three autobiographies, "Moi je" (1969), "Nous" (1972) and "Somme toute" (1976), and, although ill in recent years, turned out "Poemes a pas de loup 1992-1996," and "Chemins croises 1994-1995"

He was born in Paris Aug. 28, 1915, the son of a painter and a postal worker.

Francis Paudras, 62, Artist

New York Times Service

Francis Paudras, 62, a commercial artist, author, collector of jazz-related artifacts and patron of jazz musicians, including the pianist Bud Powell, died Nov. 26 at his castle in Antigny, France.

He committed suicide, the newspaper Le Figaro reported. The story of his friendship with Mr. Powell was adapted by the director Bertrand Tavernier for the 1986 film "'Round Midnight," which starred Francois Cluzet as a character based on Mr. Paudras and Dexter Gordon as a composite portrait of Powell and Lester Young. He had been, since his early 20s, an eager follower of the Parisian jazz scene.



Giovanni Alberto Agnelli, right, in 1994 with his uncle, Gianni Agnelli.

Jorge Castaneda, 76, Diplomat

MEXICO CITY (NYT) — Jorge Castaneda de la Rosa, 76, who as the Mexican foreign minister from 1979 to 1982 led his country into an assertively independent posture toward the United States and sought to strengthen ties with Central America and Cuba, died here Thursday of complications from diabetes.

A career diplomat, Mr. Castaneda was appointed foreign minister in May 1979 by President Jose Lopez Portillo at a time when Mexico was flexing new geopolitical power as a result of its extensive new petroleum discoveries. To the south in Nicaragua, the Sandinista insurrection was about to triumph, upsetting long-standing power relationships.

Three days after Mr. Castaneda's appointment, Mexico broke diplomatic relations with the right-wing Nicaraguan government of Anastasio Somoza. It was a step not entirely of Mr. Castaneda's making, but it set a tone for his three years in office.

Carlos Rafael Rodriguez, 84, a Communist intellectual who forged a crucial alliance between Fidel Castro's followers and Cuba's hard-line Communists, whose political career spanned more than six decades and who served on the Politburo and as deputy president, died Dec. 8 in Havana. He had been suffering from Parkinson's disease and heart problems.

Mexican State Blocks a Labor Breakthrough

The Associated Press

SAN DIEGO — A small group of factory workers in Tijuana, Mexico, believed they had won the right to form an independent union, but the government of the state of Baja California dealt a blow to the labor activists' struggle.

The Korean-owned plant, in agreeing to recognize the union, became the first of the estimated 2,700 factories along the U.S.-Mexican border to agree to more democratic labor negotiations. Most labor unions in Mexico are affiliated with the governing Institutional Revolutionary Party.

But the Baja California government refused to affirm the deal Saturday, a day after management agreed to the establishment of a union free from control by the governing party. The pact contained a provision requiring the state to officially acknowledge the union's right to exist.

After four hours of negotiations Saturday, Ricardo Gonzalez Cruz, representing the governor of Baja California, Hector Teran, refused to sign, The San Diego Union-Tribune reported Sunday.

Enrique Hernandez, an independent organizer who assisted the workers, said he would take the agreement to the Baja California labor board Monday. But last month the board rejected a vote by workers to establish the independent union.

Under the agreement announced Friday, the workers for Han Young de Mexico SA also won a 30 percent raise, and employees who had been dismissed for labor activity were to be reinstated with full back pay, said Mary Tong, director of the San Diego Support Committee for Maquiladora Workers.

The Han Young plant makes tractor-trailer parts for Hyundai Precision America. The workers complained of low wages and dangerous conditions. In October, they voted, 58 to 32, to approve an independent union.

Israelis Divided Over Pullout

Cabinet Team Argues Over Map While Albright Waits

By Serge Schmemann
New York Times Service

JERUSALEM — Two weeks after the Israeli cabinet gave its conditional approval to a further withdrawal in the West Bank, senior ministers still disagree on how to approach the matter, making it unlikely that Prime Minister Benjamin Netanyahu will have a detailed plan to show Secretary of State Madeleine Albright this week.

Although Mr. Netanyahu said on Nov. 30 that a plan would be presented to the cabinet within one or two weeks, the team set up to draft it — Mr. Netanyahu, Defense Minister Yitzhak Mordechai, Infrastructures Minister Ariel Sharon and Foreign Minister David Levy — has failed to reach consensus.

The continuing disagreements evoked the now-familiar image of Mr. Netanyahu and his ministers arguing heatedly among themselves while the Palestinians and Americans wait in frustration.

Since her visit to Israel in September, Mrs. Albright has increasingly leaned on Israel to move ahead, indirectly threatening to crank up the pressure even more if Mr. Netanyahu does not present a concrete proposal by month's end for the further withdrawals required under the Oslo agreement. The United States has called for a "significant and credible" withdrawal.

But Mr. Sharon and Mr. Mordechai have insisted that the government must first agree on what parts of the West Bank Israel must not cede in any agreement. Each has presented his own map and has campaigned for it, especially the longtime hard-liner Mr. Sharon, who would essentially leave the Palestinians a patchwork of lands surrounded by Israeli security zones, roads and settlements. Mr. Sharon and Mr. Mordechai flew over the West Bank on Friday in another effort to narrow their differences.

Meanwhile, Mr. Levy, apparently with Mr. Netanyahu's support, has argued that it is imperative to present a concrete withdrawal plan to Mrs. Albright in Paris on Thursday to avoid worsening already strained relations with the Clinton administration.

[The cabinet held a daylong debate Sunday, but did not approve any new proposal, The Associated Press reported from Jerusalem. A defiant Mr. Netanyahu said on the eve of the session that Israel would not "commit suicide" to please others.

[At Sunday's meeting, the ministers discussed principles of a final settlement with the Palestinians, which in turn will be the basis for a decision on the troop withdrawal, said David Bar-Illan, the government spokesman. The session was to continue, probably on Tuesday, he said.]

The general assumption, after the cabinet gave its provisional agreement to a further withdrawal, was that the vote reflected confidence among hard-line ministers that they could block any withdrawal later.

In the meantime, Martin Indyk, the former U.S. ambassador to Israel and now assistant secretary of state for Near Eastern Affairs, arrived in Israel for talks with Mr. Netanyahu and Yasser Arafat, the Palestinian leader. U.S. officials said Mr. Indyk would not try to mediate an agreement. He is also scheduled to travel to Jordan and Syria.

Netanyahu Lashes Out

Reuters

JERUSALEM — A furious Prime Minister Benjamin Netanyahu canceled his subscription to the newspaper Yedioth Ahronoth on Saturday, the day after it published an extended exposé on his wife's behavior.

Israelis thronged newsstands Friday, snapping up copies of the paper to read allegations that Sara Netanyahu had abused her position and tormented subordinates, hurling shoes and curses at one employee and forcing others to taste wine to make certain it was not poisoned.

Late Saturday, Mr. Netanyahu fired off a letter to editors of the paper.

"You have burst all bounds of fairness, humanity and morality," he wrote. "In general, I have passed over in silence the repeated attacks on my family in the last year and a half, but this wicked attack is unprecedented, aimed at trampling her honor and carrying out a character assassination on her."

BRIEFLY

Message to Jailed Spy Is Sent by Netanyahu

JERUSALEM — Prime Minister Benjamin Netanyahu on Sunday sent a personal message of support for the first time to Jonathan Pollard, who is serving a life sentence in a U.S. prison for spying for Israel.

The Israeli leader told Mr. Pollard in the message that he was "concerned" about the fate of the spy, who has been imprisoned since 1987, and expressed hope that Israeli efforts would win his release soon, his office said in a statement. *(AFP)*

Algeria Convicts 17 In Oil Field Arson Plot

PARIS — An Algerian court has convicted 17 men of plotting to set ablaze giant Hassi Messaoud oil field, Algeria's main source of the country's crude output, an Algerian daily said Sunday.

Le Matin newspaper said the criminal court in the eastern city of Annaba had sentenced the 17 men to jail terms of up to 15 years after it found them guilty of an "arson plan" to set the field on fire. The newspaper said the court identified the men as members of the radical Armed Islamic Group. *(Reuters)*

Cholera in Zanzibar

DAR ES SALAAM, Tanzania — Medical personnel in Zanzibar have been recalled from leave on the island because of a cholera outbreak, Tanzania's semi-official Sunday News reported. Radio Zanzibar said 20 people had died in the outbreak, first publicized a week ago. *(Reuters)*

Christmas in Cuba

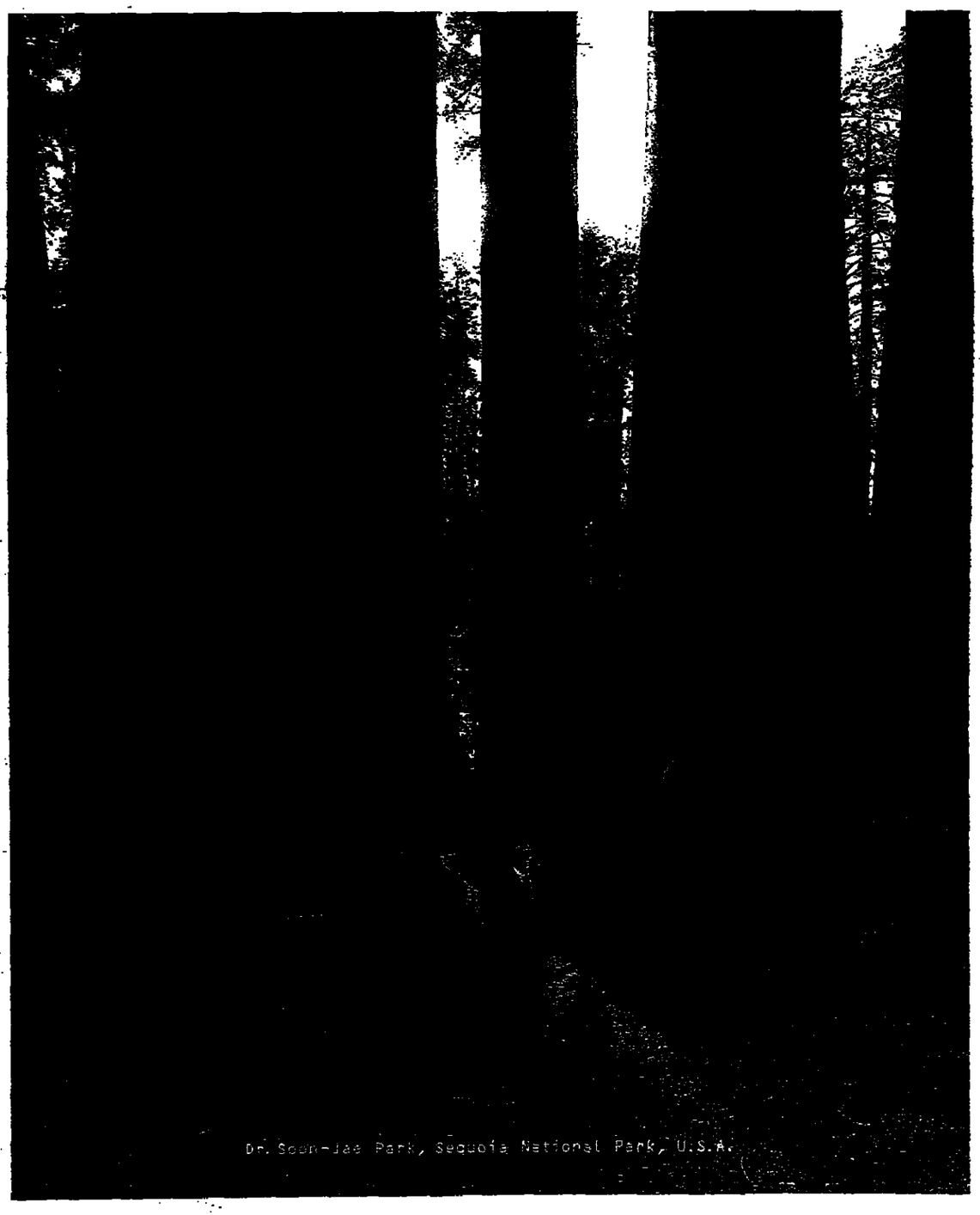
HAVANA — President Fidel Castro on Sunday declared Christmas Day 1997 a holiday as a gesture to the country's Christians and to Pope John Paul II, who is to make his first visit here next month. But he stressed that the holiday was an exception for this year only, the official news agency Prensa Latina reported. *(AFP)*

Snowstorms Hit Mexico

MEXICO CITY — Freak snowstorms and bitter cold have struck most of northern Mexico, leaving at least 12 people dead and paralyzing highways and ports, media reports said over the weekend.

The cold spell brought snowfalls to cities as far south as Guadalajara, where it snowed for the first time since 1881, radio reports there said. *(Reuters)*

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Korea Opposition Just May Win It

By Mary Jordan
Washington Post Service

SEOUL — For the first time in modern South Korean history, an opposition candidate could win the presidency here this week, earning the job of putting this important and economically stricken Asian nation back on its feet.

Many analysts say the election Thursday is too close to call, but President Kim Young Sam, who by law cannot seek a second five-year term, and the candidates increasingly are asked to discuss how they would transfer power between parties, something never done before. That is taken as a sign of how good the opposition's chances are.

Changing political parties this month, when South Korea is in a financial crisis that has forced it to seek a bailout, or line of credit to replenish depleted government reserves, from the International Monetary Fund, worries some who say a leadership change is the last thing the country's unstable markets need.

But the opposition candidate, Kim Dae Jung, said over the weekend that that was exactly what the economy needed. If the governing party is reelected, "there will be no improvement" in the economic chaos that threatens to wipe out the gains of a generation, he said. "On the other hand, I have been working," he said, for restructuring "the economy for 30 years. I am prepared."

The candidate of the majority party, Lee Hoi Chang — and even many who are not enamored with him — insists that this is hardly the time to add political instability to economic instability.

"Many people are looking for stability, not change," said a political scientist, Park Jai Chang.

Korea's 45 million people are not alone in worrying about the outcome. The world's financial community is following the campaign closely because Seoul is receiving $60 billion from the IMF, the United States and Japan; because the country's economic crisis is causing rippling effects in Hong Kong and on Wall Street; and because the next president will preside over peace negotiations with communist North Korea.

"If the opposition wins, it is a historic moment," Mr. Park said. "The vested interests will change for the first time in modern Korean history."

No matter who wins Thursday, many wish the victor could assume responsibilities before the Feb. 25 inauguration. The election has caused political paralysis in the country with no strong leader calling the shots, and this has added to the economic havoc.

"We cannot let things go rudderless till Feb. 25 in view of the grave situation of the economy," Kim Dae Jung said.

Some newspaper editorials have asked President Kim to step down prematurely to hasten the transition, or at least to share power over the next two months. And some are even calling for a constitutional revision to allow the new president to take over before the end of February.

The economic crisis has rocked Korea. Many Koreans are not happy about the IMF intervention or about painful austerity programs to help get the economy on track.

Efforts to restore confidence have been undermined. Officials previously have raised the specter of a debt default, or at least a backlash against foreigners and the IMF.

On Saturday, President Kim and the three presidential candidates reaffirmed support for the IMF bailout.

"We will do our best to bolster international confidence by honoring the terms of the agreement," said a statement by the president and the candidates, including an independent, Rhee In Je.

Korean presidents have had enormous influence in determining how private-sector money, as well as government money, is spent. In the past, the president decided which industrial giants expanded into producing automobiles or small appliances. That arrangement, which often meant lending vast sums regardless of the investment's soundness, is being blamed for much of the economic collapse.

"We have no support from big business, not a penny," said Lee Jong Chan, Kim Dae Jung's campaign manager.

That is exactly what entices many — and worries many others.

Voters say they are tired of cronyism and want to throw out those responsible for the financial crisis, with its rising prices and falling salaries. But they also don't know if Mr. Kim, who is seen as a maverick with tenuous ties to big money and business, is the answer.

A victory by Mr. Kim, 73, would be astonishing. During the 30 years he has sought the presidency, the governing party has cast him as a radical. He still limps from an assassination attempt. If he assumes the same office of those who have jailed and tried to kill him, it would be seen as nothing short of a miracle.

'37 'Rape of Nanking' Commemorated

Compiled by Our Staff From Dispatches

NANJING, China — An air of mourning hung over Nanjing on Sunday after residents of the city in eastern China flocked to a memorial to honor the tens of thousands of people who were slaughtered by Japanese soldiers 60 years ago.

A memorial at the site of a mass grave was the focal point for remembrance of the 1937 massacre unleashed when the Japanese Army entered what was then the Chinese capital, Nanking.

Citizens walked silently past exhibits that included a sunken display of the buried skulls and limbs of victims of the "Rape of Nanking."

Japanese troops captured the city on Dec. 13, 1937. The rampage of murder and rape against a defenseless city continued for three months, claiming at least 150,000 lives — and perhaps twice that number.

For the Chinese, it became an enduring symbol of the savagery of Japanese occupation. Even as old age claims the last survivors, the massacre resonates with younger Chinese, who resent what they say is Japan's reluctance to come to terms with its wartime past.

Behind the flags of their colleges, students marched to the site Sunday, bowed their heads before a stone obelisk engraved with the words "300,000 Victims," and chanted patriotic slogans.

Huge floral "mourning wheels," bearing the Chinese characters similar in meaning to "Lest We Forget," stood at the gates of the site and dotted intersections around the city.

More than 10,000 people are believed buried at the Jiangdong Men site, one of many around the city where mass beheadings and executions by firing squads were carried out.

While Nanjing paused for three minutes of remembrance Saturday, Beijing officials stayed away, reflecting political sensitivities.

President Jiang Zemin, in comments in the official media, urged Japan to draw a lesson from aggression that brought "disaster for the Chinese and suffering for the Japanese."

Mr. Jiang balanced his comments with positive words about economic cooperation before a meeting with Prime Minister Ryutaro Hashimoto this week at talks by the Association of South East Asian Nations. *(Reuters, AP)*

BRIEFLY



Rafiqur Rahman/Reuters

BANGLADESH VETERANS — Men who fought against Pakistan in the 1971 war gathering Sunday in Dhaka before independence day.

Suharto Goes on TV To Insist He's Not Ill

JAKARTA — In an attempt to reassure the nation that he was not ill, President Suharto appeared on national television over the weekend and said he was in good health.

"I had been advised by doctors to rest, but now I am healthy and in good condition," Mr. Suharto, 76, said in the five-minute broadcast Saturday night.

Mr. Suharto had canceled a visit to Kuala Lumpur to attend a summit meeting of the Association of South East Asian Nations after he was ordered by doctors on Dec. 5 to take 10 days' rest.

The news set off strong rumors that he was critically ill. The rupiah plunged to a historic low of 5,383 to the dollar on Friday after starting the week at about 4,000. *(Reuters)*

Hong Kong Steps Up 'Bird Flu' Measures

HONG KONG — Hong Kong is stepping up the battle against a "bird flu" that has killed two people and caused widespread alarm, a spokesman for the government said Sunday.

But critics put pressure on the government to order more vigorous action against the virus, which has so far killed a 3-year-old and an adult.

The spokesman quoted Chief Secretary Anson Chan as saying Saturday that the government will create an interdepartmental task force to fight the bug, known as influenza H5N1.

A public hot line will also be opened for those worried about the bird flu, so called because it is normally confined to chickens. *(Reuters)*

Papua Leader Ousts Party From Coalition

SYDNEY — Prime Minister Bill Skate of Papua New Guinea has expelled the Pangu Pati party from the governing coalition and named a new deputy in fallout from corruption allegations against him, Australian Broadcasting Corp. radio said Sunday.

Trade and Tourism Minister Michael Nali, newly installed leader of the People's Progress Party, has been promoted to deputy prime minister, the ABC reported from Port Moresby.

This followed the sacking on Nov. 30 of Chris Haiveta, leader of Pangu Pati, for disloyalty after the release of secretly recorded videos showing Mr. Skate boasting he was a "godfather" of crime in the South Pacific nation.

ABC said Pangu Pati had been expelled from the coalition for failing to dump Mr. Haiveta as leader. *(Reuters)*

For the Record

Prime Minister Mahathir bin Mohamad of Malaysia on Sunday met General Than Shwe, leader of the military government of Burma, in Kuala Lumpur and conveyed concern over the situation in that country, Malaysia's foreign minister, Minister Abdullah Badawi, said. He said the general informed Mr. Mahathir of recent changes in the Burmese government. *(Reuters)*

Top Dissident, At Cambodian Party Meeting, Criticizes Coup

Reuters

PHNOM PENH — Cambodia's leading dissident, Sam Rainsy, on Sunday condemned the July takeover by Hun Sen and said he would wait and see if elections planned for May could be fair before deciding whether to take part.

Mr. Sam Rainsy, a former finance minister, also told a congress of his political party that legislation outlawing the Khmer Rouge guerrilla group was divisive and should be scrapped.

"I don't understand why they staged a coup," he told about 2,000 clapping supporters of his unrecognized Khmer Nation Party in the first purely political mass opposition rally in Cambodia in more than six months. "People lost their lives, their jobs."

The meeting was the largest opposition party gathering since Mr. Hun Sen, the second prime minister, deposed Prince Norodom Ranariddh, the first prime minister, in early July, plunging the country into renewed conflict and political crisis.

"There was no reason for the coup," Mr. Sam Rainsy said. "We could have just waited a few months and had an election." The party congress adopted a resolution condemning the coup and subsequent human-rights abuses.

Also on Sunday, about 200 members of a Khmer Nation Party splinter group held a brief rally at a Phnom Penh stadium. The party rebels, who broke with Mr. Sam Rainsy some time ago after various disagreements, burned an effigy of him before dispersing.

Prince Ranariddh and Mr. Sam Rainsy were out of the country at the time of the coup and campaigned against Mr. Hun Sen from abroad. But Mr. Sam Rainsy returned to Phnom Penh in late November and agreed to cooperate with Mr. Hun Sen's government and work toward peace and a free and fair election in May.

On Friday, Mr. Sam Rainsy, a former member of Prince Ranariddh's royalist party, announced that a formula had been worked out to allow the prince to return home and take part in the election.

Under the plan, the prince would be tried in his absence on security-related charges that were filed against him after he was deposed. He would then be immediately pardoned by his father, King Norodom Sihanouk, and would return to Cambodia. Mr. Sam Rainsy said that the prince would accept the formula.

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Riot in Ulster Unlikely to Halt Talks

Agence France-Presse

BELFAST — Protestants and Catholics appeared determined Sunday to continue the talks to bring peace to Northern Ireland despite weekend violence in Londonderry that left six people hurt after a Protestant march.

The violence was the worst Northern Ireland had seen since the Irish Republican Army declared a cease-fire in July.

In Londonderry on Saturday and early Sunday, Catholics enraged by the parade of Protestant loyalists past their neighborhood threw firebombs and clashed with security forces.

The Royal Ulster Constabulary said the more than 1,000 Molotov cocktails had been thrown by nationalist demonstrators.

Five police officers were slightly wounded and an 11-year-old boy was hospitalized with serious injuries after being hit by a stone, the constabulary said.

Thirteen demonstrators were arrested, the police said, adding that a retail store, a dozen cars and two buses were set on fire.

The Royal Ulster Constabulary said that its officers had fired a total of 169 rubber bullets in attempts to disperse the crowds.

A large police presence remained in the refuse-strewn streets Sunday, after the British Army was called out on patrol for the first time in six months.

Both sides were careful not to fan the flames of the violence, however, and observers saw that as a sign of progress in the peace process in recent months.

In an interview with Irish television late Saturday, David Trimble, the head of the Ulster Unionist Party, said he did not rule out a meeting with Gerry Adams, the Sinn Fein leader, as Mr. Adams had suggested.

"So many things are possible," Mr. Trimble said. "We have seen actually in the past people who have forsaken terrorism and genuinely changed into democrats."

"It is perfectly possible that Gerry Adams can follow that path," Mr. Trimble added. A day earlier, he had dismissed Mr. Adams's offer of talks as "a silly little stunt."

On Thursday, Mr. Adams and other leaders of Sinn Fein, the political wing of the Irish Republican Army, met at No. 10 Downing Street with Prime Minister Tony Blair of Britain.

Mr. Adams said the talks had been more than an exchange of "stock positions." Mr. Blair described the meeting as "positive and constructive."



Martin McCullough/Agence France-Presse

A Londonderry man passing a burned bus. Six people were hurt in rioting.

German Army Comes Under New Fire Over Neo-Nazi Link

Reuters

BONN — New allegations in a neo-Nazi scandal in the German Army put further pressure on Defense Minister Volker Ruehe over the weekend.

The News magazine Focus reported that a group of 30 young German soldiers on a peace mission in Croatia broke into chants of "Sieg Heil" and "Heil Hitler" during a party there last autumn. Both Nazi slogans are banned under German law.

Citing U.S. and German officers who had walked into the soldiers' barracks party by chance, Focus said the incident happened in September in the Croatian town of Trogir just after the unit had been praised for its efforts in NATO's peacekeeping mission in the region.

"I was totally shocked," the magazine quoted the U.S. officer as saying.

The magazine Der Spiegel reported another incident in which an elite officers' academy in Hamburg had rented out its premises for an event organized by a faction of extreme-right students known as Group 164.

Last week, Mr. Ruehe punished two senior officers for their roles in allowing a convicted neo-Nazi to address soldiers at the academy.

He suspended a lieutenant general and ordered disciplinary proceedings against a colonel for inviting Manfred Roeder, a former lawyer who served eight years in prison for racist bombings against immigrants, to speak in 1995 at a leadership seminar.

Mr. Ruehe, who is due to visit the Hamburg academy on Monday, rejected the Focus report as speculation.

"This is a time for rumor-mongers and provocateurs," he said to reporters outside a meeting with Beniamino Andreatta, his Italian counterpart, in the German Alpine town of Bad Reichenhall.

The Defense Ministry swiftly issued a statement saying it had no evidence of any such incident taking place in German units within the North Atlantic Treaty Organization's peacekeeping force, but said it would investigate.

Mr. Ruehe admitted in public last week that a string of incidents linking German soldiers with racist behavior or neo-Nazi tendencies were not simply a series of isolated incidents.

The army has been linked this year with rightist extremism, involving videos and photographs depicting recruits flashing the Hitler salute, surrounded by swastikas or staging mock executions.

A Priest's Hate Radio Station Wields Political Clout in Poland

By Jane Perlez
New York Times Service

WARSAW — One of the most politically potent mass media outlets in Poland is a populist radio station directed by a Roman Catholic priest whose daily outpourings of hate and rage are intermingled with lengthy prayer sessions.

The radio's founder, the Reverend Tadeusz Rydzyk, says politicians who favor liberalizing the nation's abortion law should have their heads shaved, just as Poles shaved the heads of women who slept with German soldiers during World War II. He accused a famous Solidarity leader of being a tool of Stalin. Expressions of anti-Semitism are regular fare.

As Radio Maryja blossomed from a small listener-financed station in 1991 to a social movement of 5 million subscribers that successfully backs candidates for Parliament, the Roman Catholic hierarchy remained silent.

But after a move by a provincial prosecutor's office against Father Rydzyk and hints from the Vatican, the church's highest official in Poland, Cardinal Jozef Glemp, chastised the priest on Dec. 3 for going too far.

In a public letter, Cardinal Glemp admonished the priest for stirring "hostility" and for being insubordinate to the church hierarchy. The cardinal advised Father Rydzyk to stop being so brazenly political and asked the head of his order, the Reverend Edward Nocun of the Redemptorists Order, to supervise the priest more closely.

The reaction of the cardinal, who is viewed as a conservative force in Poland's powerful Roman Catholic Church, was interpreted here as a major political event. Newspapers devoted full pages to the issue and to the cardinal's letter.

Father Rydzyk has not formally commented on the letter, which appears to have had little effect so far. Rather than control Father Rydzyk, as the cardinal asked, Father Nocun, the priest's superior, expressed his solidarity with Radio Maryja and its boss.

Political commentators noted that the cardinal's rebuke came shortly after the church made one of its most notable modernizing moves. After several years of keeping their distance, a group of Polish bishops visited the headquarters of the European Union in Brussels last month to show their support for Polish membership in the institutional heart of Western Europe.

During Pope John Paul II's visit to Poland in June, the Pope's spokesman expressed his displeasure with Radio Maryja, stressing that the views of the station's correspondent at the Vatican were personal views and not those of the Vatican.

Then, the invective from Radio Maryja became too much for the prosecutor's office in Torun, where the radio is based. The prosecutor charged Father Rydzyk with slandering public figures. That was later reduced to a lesser charge.

The priest turned up for an interview at the prosecutor's office this month accompanied by a member of Parliament from the center-right Solidarity Election Action party, which won the national elections this fall.

Father Rydzyk, who fields calls from listeners and lets them talk at length, showed his political influence in the elections. At least 18 members of Parliament from the Solidarity group said they won because the radio station endorsed them. Several of these politicians now control the culture and media committees in the lower and upper houses of Parliament.

Surveys show that Radio Maryja is the fourth most popular station in Poland. It is fiercely anti-urban and draws most of its 5 million listeners from among older and religiously observant women.

Many of those women live on meager pensions, and they draw solace from the lengthy religious programming.

BRIEFLY



The Associated Press

Russian TV showing Mr. Yeltsin voting Sunday.

Yeltsin Says He's Still Ailing

MOSCOW — President Boris Yeltsin of Russia, convalescing from a viral infection, said Sunday that he was not yet fully recovered but was in full command.

"I caught a sore throat somewhere," Mr. Yeltsin, 66, said in a hoarse voice after he cast his vote in a sanitarium in an election for the Moscow city council. "I'm a bit weak. On the whole I don't feel too good."

It was the first time he has spoken in public since he was taken to the Barvikha sanitarium on Wednesday, diagnosed with an acute viral respiratory infection.

"The doctors say it is a normal virus," Mr. Yeltsin said. "It's nothing special, it's the one going around in Moscow." He added that it would take about 10 days to clear up. *(Reuters)*

Havel Is Dubious on Cabinet

PRAGUE — President Vaclav Havel of the Czech Republic said Sunday that the re-election of Vaclav Klaus, the departing prime minister, as leader of his party would make it difficult to form a new government quickly.

Mr. Klaus brushed off a challenge to win 72 percent of the votes Sunday in a first-round ballot at a special congress of the Civic Democratic Party. His was the main party in the center-right coalition that collapsed last month amid accusations that it received illegal funding.

In his weekly radio program, Mr. Havel said that Mr. Klaus's re-election and the ambiguity of the party's position on participation in the government had "complicated" plans to name a new cabinet this week.

Mr. Klaus refused to say Sunday whether his party members would join the cabinet. *(AFP)*

Talks Begin on 'Nazi Gold'

ZURICH — Talks began in Zurich on Sunday to seek a settlement in Holocaust victims' suits that charge Swiss banks with secretly hoarding their wealth, a senior U.S. official said.

Stuart Eizenstat, undersecretary of state for economic affairs, brought together the chief executives of Switzerland's three biggest banks, their lawyers and attorneys representing plaintiffs in three suits filed in U.S. courts.

"This was purely an exploratory set of discussions that began today and we hope that those will lead to further discussions in the future," Mr. Eizenstat said.

No comment was available from the three banks named in the suits: Union Bank of Switzerland, Swiss Bank Corporation and Credit Suisse Group. *(Reuters)*

Portugal Elects Local Officials

LISBON — Portugal went to the polls Sunday in municipal elections that were regarded as a test for the government of Prime Minister Antonio Guterres, now midway through its term.

A dozen political parties and alliances were vying for the votes of an electorate of nearly 9 million in the fight to control the country's 305 municipal councils and 4,100 smaller councils. *(AFP)*

France Challenges Judge on Bosnia Atrocities

Reuters

PARIS — France was involved Sunday in a bitter fight with the prosecutor at the International Criminal Tribunal for the former Yugoslavia after she accused French troops of failing to act against war criminals in Bosnia-Herzegovina.

The angry exchanges preceded a meeting Monday between the United Nations prosecutor, Louise Arbour, and Foreign Minister Hubert Vedrine of France.

"Most of the indicted war criminals, a large number of them, are living in the French sector," Judge Arbour told French television LCI in an interview Sunday.

She made her charge after LCI showed a film of a suspected Bosnian Serb war criminal, Janic Janko, in a bar in the French sector offering for $3,000 to tell a journalist how he "slit throats and gouged eyes out."

The film also showed two officers in the UN peacekeeping force enjoying a drink on the bar's terrace. "Some pictures are rather damning, self-explanatory," the judge said.

"There is no doubt that this man is in the French sector," said a French Foreign Ministry spokeswoman, Anne Gazeau-Secret. "But Mrs. Arbour's allegation that a vast majority of those indicted are living in the French sector is, in our opinion, absolutely baseless."

The Foreign Ministry said that France was fully participating in efforts to bring indicted war criminals to justice, but that French troops in Bosnia served under the chief NATO commander, an American, and abided by the rules set by the alliance for arrests.

Recalling that British troops detained a suspected war criminal, Milan Kovacevic, in Bosnia in July, Judge Arbour told LCI that peacekeeping troops enjoyed wide autonomy to mount operations.

In an interview in the newspaper Le Monde, she accused France of hampering the tribunal's work by refusing to allow French officers who served in Bosnia to testify and of dragging its feet in passing on their written testimonies.

The ministry retorted that about 30 French officials, including generals, had been heard by Judge Arbour.

Religious Symbols at Auschwitz Burial Area Are Removed

By Jane Perlez
New York Times Service

WARSAW — A group of large Stars of David and Christian crosses have been removed from the main burial ground at the Auschwitz and Birkenau death camps, ending a dispute that has held up plans to preserve the sites where more than a million Jews were killed during World War II.

The symbols were put up by Polish Boy Scouts in 1983 in what international Jewish groups have argued was an inappropriate gesture.

They were the most visible elements on a large swath of land, known as the field of ashes, that stretches behind the gas chambers at the Birkenau camp. The field was used by the Nazis to bury the cremated remains of their victims.

More than 90 percent of the estimated 1.1 million people killed at the adjacent camps were Jews. Last year, Eli Wiesel, the Nobel Prize winner and author who survived the death camp, complained again during a speech in Poland that the presence of crosses on ground covering Jewish victims was an "insult."

The symbols, crudely made from painted white wood, were removed by workers of the Auschwitz state museum Dec. 3 after the new Polish minister of culture, Joanna Wnuk-Nazarowa, completed negotiations that had been dragging for years.

"We felt strongly that the symbols placed by the Boy Scouts were done so with good intentions but that they shouldn't be there," Miles Lerman, the chairman of the U.S. Holocaust Memorial Council, said in a telephone interview from Washington. "If I were the son of a Christian prisoner of war who was killed there, I wouldn't want to have a Star of David on my father's grave. Similarly for Jews — and many who died there were deeply religious — the crosses are a desecration."

The long discussions preceding the removal of the symbols were delicate because of the different meanings that Auschwitz and Birkenau have for different people.

Many Poles regard the site, the largest Nazi death camp, as a national shrine for the suffering that Poland suffered at the hands of the Nazis. These Poles stress that during World War II, 3 million non-Jewish Poles, as well as the 3 million Polish Jews who were killed by the Nazis, died from disease or exhaustion or in Nazi death camps.

Thus, the negotiations to remove the religious symbols involved the hierarchy of the Roman Catholic Church in Poland as well as the government-financed Auschwitz Museum and international Jewish groups.

Mr. Lerman said Mrs. Wnuk-Nazarowa understood the importance of restoring the field of ashes to its "very own holiness" and was eager to abide by an agreement signed with Unesco 18 years ago, dedicating the two camps as a "world heritage" site and calling for a surrounding 500-yard buffer zone.

Since then, a number of encroachments have been made, including a Roman Catholic convent, removed after much debate in the early 1990s. Last year, a Polish entrepreneur started to build a supermarket near the entrance to the camps.

In an effort to settle the question of how Auschwitz and Birkenau should be preserved, the Polish president, Aleksander Kwasniewski, presented a plan to the Holocaust Memorial Council in Washington 18 months ago. It included ideas for building improved roads to the complex, which has attracted more than 500,000 visitors annually.

Bonn's Nuclear Bunker Now Just War Surplus

New York Times Service

BONN — With a 12-line statement and without pomp or circumstance, the German authorities have announced the closing of the Cold War-era bunker outside Bonn to which the great and the privileged would have retreated in the event of nuclear war.

Considering the megaton angst that justified its construction, though, the official reason for the shutdown seemed oddly pathetic: the place was not fireproof and would have cost too much to fix.

For decades, the bunker — 19 kilometers (12 miles) west of Bonn — had inspired rumor, resentment and puzzlement among ordinary people — anyone excluded from the guest list of 3,000 politicians and officials entitled to take refuge in it.

There, every two years, and under an oath of secrecy, some of those officials would congregate to practice for the worst, led by a stand-in for the chancellor. They would take refuge in 32 kilometers of tunnels and caverns underneath what looks like an ordinary vineyard — an ordinary vineyard, that is, with a huge concrete watchtower jutting from its rows of vines.

The end was prosaic. "The installation no longer meets today's technological standards," the Interior Ministry said. "That is particularly true of fireproofing."

One reason for the decision to close the bunker is that most of the government is scheduled to complete its move to Berlin in 1999 or 2000, so there will no longer be any officials here to protect.

British Break With UN Council on Court

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — Britain has signaled that it favors giving considerable independent prosecution powers to a proposed international criminal court, a position that puts the British government at odds with the United States and the other permanent members of the United Nations Security Council.

The British position, outlined at a meeting in New York of legal experts trying to define the court's powers, involves the contentious question of whether the court should have the independence to assert jurisdiction over war crimes cases or whether it should be subject to the authority of the 15-nation Security Council.

Many human rights activists complain that subordinating the court to the Security Council would put severe limits on the tribunal's independence and effectiveness.

Critics charge that the United States, although it is a leading advocate for establishing such a court, also wants to limit its powers by making it answer to a body in which the United States has a veto.

If the views of China, France, Russia and the United States — all permanent council members with veto powers — prevail, the court could initiate investigations only if authorized to do so by an individual government or by the council.

Citing the council's responsibility under the UN Charter for maintaining international peace and security, these countries contend that the court, as a rule, should not pursue crimes arising from conflicts that the council is trying to resolve.

The United States also wants to limit the court's jurisdiction to violations of international humanitarian law and keep investigations of narcotics trafficking, terrorism and other international criminal conspiracies under the control of national governments.

The U.S. position is driven to a considerable extent by acknowledgment that the Senate would never accept the jurisdiction of a court whose powers appear to infringe on U.S. law and sovereignty. The U.S. demand for safeguards against what the Clinton administration regards as politically motivated prosecutions also is fueled by memories of the Vietnam War period, when opponents of U.S. policy demanded that senior American officials be tried for alleged war crimes.

At a news conference here, William Pace, representing a nongovernmental coalition of lawyers and human rights advocates, said that Britain, which previously sided with the other permanent members, had told the experts' meeting that it could no longer support giving the Security Council blanket veto power over the court.

Officials of the British delegation subsequently confirmed that this is the case.

The Security Council established a special court to deal with the atrocities spawned by "ethnic cleansing" campaigns in the former Yugoslavia and Rwanda.

But the aim now is to establish a permanent judicial body to investigate and prosecute such crimes worldwide, following the example of the Nuremberg war crimes tribunals that tried German war criminals after World War II.

The Spirit Of Christmas



Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Nation-Building

As the United Nations peacekeeping force pulled out of Haiti this month, the mood was one of frustration at the difficulties of making a failed state work. The mission's problems, however, offer lessons for future programs and for the multinational police trainers and civilian advisers still in Haiti. They can see progress if they avoid unrealistic promises and cosmetic solutions.

The military mission was successful in its core effort to give Haiti a more democratic government. It removed a thuggish dictatorship that killed thousands of people a year. The once hellish prisons are much improved.

The new Haitian national police is far less brutal than the old one, and is improving as police gain experience. A new inspector general's office has led to the arrest or dismissal of more than 150 violent officers.

The culture of brutality remains, however. The new police have killed at least 75 people. One reason is that rookies get only four months of training — a political choice made to get police on the ground quickly so that American and UN troops could depart.

Another such choice, to hold repeated elections, may have shown that democracy was working. But the elections had dwindling turnout and exacerbated a split in the major political party that has led to governmental paralysis.

Haiti shows why outsiders should not count on rapidly changing a political culture deformed by centuries of dictatorship. The country has had no working government for months. Because it has not carried out necessary privatizations, it cannot get access to some $600 million in aid from abroad.

Haiti desperately needs a better trained bureaucracy, but meanwhile international programs will be more effective if they count less on the government and more on civil society.

The virtually fruitless justice reforms, for example, should shift away from the hapless Justice Ministry toward changing court practices and training groups that will press for justice after outsiders leave.

Outsiders cannot build a working Haiti. They can, and have, established a more secure and free atmosphere, a necessary prerequisite. They can also help Haitians build civil groups, schools and institutions that will, over time, make the government more efficient and accountable. Selling this as a short-term project simply guarantees failure.

—THE NEW YORK TIMES.

The Cisneros Case

The indictment of former housing and urban development secretary Henry Cisneros may increase the American public's confidence in two key institutions at work in the investigation: the independent counsel statute and the attorney general who invoked it.

David Barrett, the special counsel in the Cisneros case, has been something of a mystery among independent counsels, operating almost entirely below the public radar. He was named to probe what many considered a small question, whether Mr. Cisneros had committed a crime by lying to the FBI about the magnitude of payments he made to his former mistress, Linda Medlar. The Justice Department had already concluded that the statements had been false; the key question remaining was whether those falsehoods had been "material" to Mr. Cisneros's nomination and confirmation proceedings.

For two and a half years Mr. Barrett did not publicly resolve this ostensibly simple matter. The delay in his probe gave rise to complaints that his investigation was another disappointing performance by an independent counsel, and some regarded the Cisneros case as particularly troubling given the simplicity of the questions Mr. Barrett was being asked to answer.

Now Mr. Barrett has spoken, and his allegations do not seem trivial. Mr. Cisneros, of course, is innocent until proved guilty, and making a charge, which Mr. Cisneros's lawyer says will be vigorously contested, is not the same as proving it. But Mr. Barrett's indictment accuses Mr. Cisneros not merely of lying to the FBI but also of promising jobs to others if they lied, too. He also allegedly paid hush money to Ms. Medlar "in order to ensure her public silence regarding, among other things, their relationship and the nature, purpose and extent of his payments to her and to another woman, so that he could be nominated, confirmed, and serve as Secretary of HUD."

If these allegations are true, then Mr. Cisneros engaged in a systematic effort to obstruct the FBI from learning more about the considerable skeletons hiding in his closet.

This is not in any sense a small matter, one that is interesting for reasons of mere prurience. If a nominee to a high position is paying substantial amounts of hush money, where might that money continue to come from while he is a government employee? That is hardly an idle question, and given Mr. Cisneros's position in the administration it was only appropriate that the probe be handled outside the Department of Justice. For all the time Mr. Barrett's probe has required, it could well prove an example of the independent counsel statute working more or less as it should.

This brings us to Attorney General Janet Reno. Those Republican and other critics who, after years of opposing the independent counsel statute, have suddenly discovered that its Democratic supporters were right all along had no objection to the standard Ms. Reno applied in calling for an independent counsel to probe Mr. Cisneros.

She required credible and specific evidence of a violation of a law whose meaning was clear, and she triggered the statute even though she suspected that violation then seemed relatively insignificant. Yet many of these same critics become furious when Ms. Reno applies this same nitpicking standard to the campaign finance mess and concludes that there is no apparent violation of a clear criminal statute by a covered official. It seems to us that she was right both times. The act has fared pretty well in her hands.

—THE WASHINGTON POST.

Neglected Filipinos

In 1941, as Japan prepared for war, the United States folded the armed forces of its then territory the Philippines into its own. Promises of generous individual military benefits followed. Fighting to liberate their homeland, the Filipinos conducted themselves, it is established, with valor. But no sooner was the war over and independence bestowed than Congress reneged on important benefits.

Now some of the American citizens among the 70,000 aging survivors of those Filipino forces are petitioning for review. Considerations of equity and honor commend their cause, but the benefits remain frozen.

As it happens, a couple of American Pacific war veterans loom over the Washington political terrain on which this issue is being fought. Chairman Ben Gilman (Republican of New York), of International Relations, introduced the Filipino Veterans Equity Act. Chairman Bob Stump (Republican of Arizona), of Veterans' Affairs, thinks it costs too much. For one thing, the new congressional pay-as-you-go rule would require his committee to make up the nearly half-billion-dollar annual cost of pensions matching those given American servicemen.

The Filipino former soldiers swore an oath to American authority and fought side by side with American soldiers, but Mr. Stump questions whether they are American veterans. So as not to raise their expectations, he has resisted the hearings they seek to promote their appeal.

It is demeaning to Americans as well as to Filipinos for the United States to continue denying benefits that were pledged at the highest level, abundantly earned on the battlefield, denied, then withheld through decades of Filipino entreaty. Surely this is an issue begging for a consensus financial resolution. Such an outcome would preserve a modicum of obligation to full-fledged comrades who fought under the American flag. It would ease the declining years of survivors' ranks.

A Senate version of this bill would leave the Filipino veterans with funeral and burial expenses only. We would not like to be the ones to tell these fading old soldiers they must die for the government they served to pay.

—THE WASHINGTON POST.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
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Internet address: http://www.iht.com E-Mail: iht@iht.com

Editor for Asia, Michael Richardson, 5 Canterbury Rd., Singapore 119800. Tel. (65) 473-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Terry Danner, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188 Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/971250-0. Fax: +49 69/971250-20
Pres. U.S.: Michael Castoro, 850 Third Ave., New York, N.Y. 10022 Tel. (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
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If the IMF Didn't Put Out the Fire, Who Would?

By E. J. Dionne Jr.

WASHINGTON — If a neighbor's house is burning down, do you begrudge the fire department spending your tax dollars to put out the fire, even if the neighbor caused the fire himself by throwing a cigarette in a trash can?

Odds are you don't mind at all, perhaps because the neighbor is a friend, and certainly because you don't want the fire to spread to your property.

Americans should keep this analogy in mind in the coming months. Unfortunately, they will be hearing a lot about the International Monetary Fund and its plans to bail out various economies around the globe. The IMF is part of the world economy's fire department, trying to stop panics and economic catastrophes before they engulf us all.

South Korea faces a mess, and the IMF already has pledges of more than $55 billion to help keep the place afloat. It is not at all clear if that will be enough, or if the bailout will work. There is a good chance of other bailouts — in Brazil, perhaps, and elsewhere in Asia.

American attacks on the IMF are common these days, and they will get louder as it is forced to do more bailing. The criticisms come from all over the political map.

Nationalists like Pat Buchanan simply don't like the idea of spending American money to prop up foreign economies. They worry that the IMF violates the sovereignty of nations. Libertarian-minded conservatives don't like any international body ever messing with the workings of the free market.

Some on the left see the IMF as the agent of international banks and big capitalists, as do some of Mr. Buchanan's followers. And a fair number of economists, left, right and center, worry that the IMF imposes austerity plans that actually slow economic recovery.

There is something to every single one of these criticisms. The IMF does operate against national sovereignty — it dictates policies to countries that borrow its money. Yes, the United States puts some American money at risk.

There is a "moral hazard" problem, as economists call it, when governments and investors know they will be bailed out if they get in trouble. The IMF thus does interfere with the pure operation of the market.

It is entirely true that the IMF has more of a Wall Street than a Main Street mentality. It is more concerned with keeping big financial institutions from collapsing than with saving mom-and-pop stores. And its heavy emphasis on austerity may well slow economic recovery in some places, austerity that tends to be borne most heavily by people at the bottom.

But if the IMF and its sister economic institutions did not exist, we would create something like them.

The big lessons of the global catastrophe of the Great Depression and the global economic success that followed World War II are (1) that it is better to have some checks and balances on the free market than to let it fly off into panics, bank runs and ruin, and (2) that you cannot have economic growth, in your own country or around the world, without international rules and institutions.

The genius of the architects of the economic arrangements built during Harry Truman's administration after World War II is that they understood these things. They wanted stability, growth and no more cataclysms. With all the ups and downs of the last 50 years, that is what they bequeathed us.

It is true that the world is very different now with the rapid industrialization of Asia, Latin America and Eastern Europe. It is also true that when Dr. IMF prescribes an excess of austerity, it can keep the patients he is trying to save sick for longer than they have to be. And the IMF has shown, at best, sporadic concern for democracy, human rights and labor rights.

But all these are arguments for fixing the IMF, not junking it.

There are moves in the U.S. Congress to push the IMF to condition loans not only on economic performance but also on respect for basic democratic rights. When governments embark on austerity programs, it is especially important that the most vulnerable people on the farms and in the factories have a chance to voice their grievances and push for a fairer apportionment of the pain.

Supporters of global institutions take note: Opposition to them will grow if taxpayers see their dollars used regularly to prop up oligarchies and dictatorships.

Americans might consider taking pride in the United States' leadership in creating institutions such as the IMF, which may not have solved all economic problems but have done fairly well in resisting the worst catastrophes. It is an amazing achievement.

Washington Post Writers Group

South Africa: Reconciliation, Yes, but Justice as Well

By Mark Mathabane

KERNERSVILLE, North Carolina — Is it humanly possible to forgive someone who attaches a power generator to the chained hands and feet of other human beings, calmly turns on the switch and then watches them writhe and foam blood at the mouth and ears as bursts of electricity fry every part of their bodies?

This year when the Truth and Reconciliation Commission began its investigation of human rights abuses during the apartheid era in South Africa, I was among those who believed that it was the ideal way to heal my homeland's deep racial wounds. But in the past few months that belief has been severely tested.

I have been sickened and enraged by what has surfaced during the testimony. Once again I have felt hatred, an emotion I fought hard to purge from my heart because it corrodes the soul and ossifies empathy.

I have wept without restraint at finally learning the fate suffered by friends, classmates, teachers, neighbors and comrades with whom I came of age after the Soweto student rebellion of June 16, 1976. That was the day when black South Africans finally threw down the gauntlet and dared the apartheid regime to do its worst, because we could no longer be denied freedom in our own country.

I have grappled with guilt. Guilt at recalling that two of my brothers-in-law were gunned down shortly after I published "Kaffir Boy" and began speaking out in the United States against apartheid.

Sometimes the guilt I feel is more generalized. Why did I survive when so many township youths, armed only with bricks, gasoline bombs and shields made from the dented lids of trash cans, died fighting the mightiest army in Africa? How did I escape when so many guerrilla fighters, who infiltrated the countryside, were betrayed by Askaris (former guerrillas turned informers) and then tortured and brutally murdered?

My generation was not afraid to die. That is what makes the stories revealed in testimony to the Truth Commission so wrenching.

Take the example of Harold Sefola, a member of Umkonto We Sizwe, the military wing of the African National Congress. After he was betrayed by informers, the notorious Vlakplaas police unit took him to an open veld, where two of his comrades were already bound, awaiting their fate. An interrogator shoved a knife into his nose, and Mr. Sefola admitted to masterminding several bomb explosions and planting mines.

He then pleaded for his life. When his pleas were ignored, he asked his interrogators if he could say something. He was permitted last rites. They untied him, and he stood up and began singing "Nkosi Sikeleli Afrika," the ANC anthem.

He then told his torturers that they could go ahead and kill him, but prophetically predicted that someday the African National Congress would rule South Africa.

He resumed singing the anthem as he watched his two comrades being electrocuted. When his turn came to die, he thrust his clenched fist defiantly into the air and saluted his dead comrades in the name of the struggle. He met his fate like a true African warrior.

The three torturers who are now asking for amnesty did not even have the decency to bury Mr. Sefola and his comrades. Instead they loaded the stiff bodies into a minibus, took them to a remote dirt road in the homeland of Bophuthatswana, placed them on a land mine and then detonated it to make it appear as if they had ineptly blown themselves up.

After listening to accounts of such atrocities, I found myself asking: What about the victims? What about the mothers who have lost their sons and daughters and husbands? What about the orphaned children I recently saw wandering in my hometown, Alexandra, dressed in rags, sleeping in shacks without heat, scavenging for food in garbage heaps?

What about Given and Angie, my niece and nephew, who lost their fathers to an assassin's bullets? What about the youths scarred for life by torture? How can they be expected to accept that torturers and murderers are being set free, and that many sometimes return to their old jobs as policemen and receive pensions for "honorable service to the country"?

The commission promised to grant amnesty to security force members who can prove that in torturing and murdering they were following orders.

But in much of the testimony I have heard, even from those whose motives for confessing have more to do with the cowardly urge to escape justice than to save their souls, few have proved that they were following specific orders.

Murderers and torturers should not be allowed to blame apartheid as their only excuse for criminal behavior. The commission should grant amnesty only to those who name exactly who gave them orders. So far, most have refused to do so. We must break their code of silence by refusing them amnesty.

Granting it to people who have not fingered their superiors, as the commission has done many times so far, protects these suspects from being tried in criminal court or being sued by survivors or families of victims.

Many of these survivors and families feel that justice has not been served. They are not saints; they can forgive only where it is humanly possible to forgive — and where forgiveness is truly deserved.

Someone must be held responsible for these crimes. If a person proves that superiors gave him specific orders, then the superiors would be responsible and can be tried. Therefore, the Mandela government should prosecute to the fullest extent of the law those who are clearly guilty and unrepentant.

This may prove difficult. The ANC, which I support, tortured people in its camps. And I was outraged and sickened by the testimony in the case against Winnie Madikizela-Mandela.

No one's hands are clean. Eighteen years of living under apartheid taught me that there are no easy answers.

But the commission can set an example for South Africans and the world if, in the final report it plans to release next year, it strikes a balance between the search for the truth and the need for personal justice. Survivors and families of victims should have the prerogative to decide whether to forgive — which, remarkably, many of them choose to do.

There was a woman who spent years searching for those who had tortured and murdered her son. When the perpetrators were finally found, brought to trial and found guilty, the woman was asked by the judge what kind of punishment she wanted them to suffer.

"Punishment?" the woman asked, perplexed.

"Yes, punishment," the judge said. "We now have the power to punish such people."

"Oh, no," she said. "I was searching for these men for a different reason, Your Honor."

"What reason?"

"I wanted to know whom to forgive," the woman said.

Finding the truth helped her forgive her son's murderers and uphold her integrity as a human being, rather than seek revenge and contaminate her soul.

Reconciliation is possible, provided the families of victims do not believe that in the pursuit of truth, they are being denied justice. South Africans have shown a willingness to take the path toward national healing. Let us hope that the Truth Commission is brave enough to do so as well.

The writer, author of "Kaffir Boy," a South African memoir, contributed this comment to The New York Times.

Climate: Why Take the Chance?

By Alan Dupont

CANBERRA — As the dust settles on the climate conference in Kyoto, the public could be forgiven for feeling a little confused about the likely extent and significance of global warming.

The conference often descended into arcane arguments over carbon dioxide "sinks," "Russian bubbles" and calculations for determining desirable greenhouse gas emission targets. Environmentalists sought to conjure up apocalyptic visions of impending climatic disaster. Skeptics hotly contested the scientific evidence.

Yet there is considerable agreement among scientists that the level of greenhouse gases has increased substantially since preindustrial times, mainly due to human activities including the burning of fossil fuels.

Under dispute is whether the rising level of greenhouse gases is of sufficient magnitude to cause a fundamental change in global weather patterns, and in particular to cause sea level rises.

Skeptics have a point. Climatology is a far from an exact science, and the models on which the climatologists base their predictions remain imperfect instruments.

But climate models are becoming much more effective in helping scientists to understand the underlying dynamics of the earth's climate.

There is a growing consensus among mainstream climatologists about an "emerging pattern" of climate change at the global level. This consensus first became evident when the International Panel on Climate Change tabled its findings in 1995.

The panel's study was conducted by more than 1,000 of the world's foremost climatologists and scientists. A key conclusion was that Earth is clearly warming.

The panel found that temperatures will continue to rise beyond 2100, even if concentrations of greenhouse gases are stabilized by then. Hence the attempt in Kyoto, by the Europeans, to reduce greenhouse gases by 2010.

Another important conclusion was that sea levels are expected to rise by from 15 to 95 centimeters by 2100.

That may not seem much. But to put the figures in perspective, the Chinese government and the World Bank have estimated that rises of this order, magnified by storm surges and spring tides, could inundate dozens of coastal cities in China, including Shanghai. Without expensive remedial action, this would result in massive destruction and the displacement of up to 76 million people.

For East Asia the panel predicted more intense summer monsoons, changes in rainfall distribution, and decreasing availability of fresh water. Virtually all East Asian states would experience flooding from sea level rise.

The areas most at risk include the Yellow and Yangtse river deltas in China, Manila Bay in the Philippines, the low-lying coastal areas of Sumatra, Kalimantan and Java in Indonesia, and the Mekong, Chao Phraya and Irrawaddy river deltas in Vietnam, Thailand and Burma respectively. Most of these areas are densely populated, and contain either the national capital or major administrative and port facilities.

Climate change could also reshape the productive landscape of East Asia by exacerbating the scarcity of food, water and other resources. And it could do so in a relatively short time.

We may hope that the forecasts prove inaccurate, but can we afford to take the chance?

The writer, a fellow at the Strategic and Defense Studies Center at the Australian National University, contributed this comment to the International Herald Tribune.

An Unfamiliar America

By Stephan Schmidheiny

ZURICH — We Europeans find it incredible to hear that a nation capable of landing a robot on Mars does not believe it can master the technological challenge of protecting the environment.

Has America's superior growth really been achieved through an indiscriminate willingness to pollute the environment? We would be surprised indeed if any self-respecting American business leader agreed with such a proposition, and yet it is the unstated premise behind much of the opposition's thinking on global warming.

Europeans are equally astonished at the simpleminded business model apparently still used in at least some American companies. Based on their statements in the run-up to the Kyoto conference, some utility executives still seem to believe that corporate earnings depend on linear increases in energy consumption.

Many European utilities have already realized that the best path to higher profitability is not more production but smarter production.

Americans who oppose the Kyoto compromise will no doubt cite the alleged unfairness of a deal that gives some countries, such as China and India, more room to increase their greenhouse gas emissions, while the United States is cutting its own.

But it simply cannot be denied that America is the world's largest polluter in both relative and absolute terms, and that it will hold that title for some years to come. Nothing can relieve it of its responsibility in this regard.

Finally, while the American auto industry clamors for time, and yet more time, to make its cars more energy-efficient, European leaders in industry and government have a simple response: "Let there be competition!"

If it turns out that the Big Three automakers cannot develop clean technologies such as battery-powered cars rapidly enough, we Europeans, at least, are confident that European automakers can.

It is not written in stone that every world market must be dominated by Americans, and through licensing agreements with Europe the Big Three could make up for their lack of technological innovation.

After all, they are not likely to want to repeat their 1970s mistake of shrugging off Europe's smaller, more fuel-efficient cars.

The writer is chairman of Anova AG, a diversified Swiss holding company, and founder of the Business Council for Sustainable Development. This comment is adapted from a longer article in The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: 'Jingo Fever'

PARIS — [The Herald says in an Editorial:] Is the blight of "yellow journalism" extending to our London contemporaries, who pride themselves, as a rule, on their freedom from the "Jingo" fever? The *Daily Chronicle* is trying, as usual, to get up an "atrocity" scare for Cuba. But how came the Conservative *Morning Post* and *Globe* "*dans cette galère*?" It is inexplicable that they should publish sensational "war scare" despatches from the United States at a time when the feeling in the country is for peace.

1922: Turks Parry

LAUSANNE — The Turks played a clever stroke of diplomacy by formally agreeing to join the League of Nations on the conclusion of peace. They thus averted a breakdown of the conference and successfully parried the plan of the Western nations, backed by the Christian world, for a commission in Constantinople that would watch over the safety of Christians within the Turkish boundaries.

1947: Italy's Security

WASHINGTON — President Truman said that although American troops are being withdrawn from Italy, the United States will consider measures for maintaining peace there if Italy's independence is threatened in the future. Approximately 1,600 American troops are due to sail from Leghorn. The statement coincided with reports that the United States government is considering supplying modern arms to the limited forces permitted to Italy by the peace treaty. Five thousand American troops remain along with British and Yugoslav forces to safeguard the Free Territory of Trieste.

هكذا من الأهل

LANGUAGE

Gifts of Gab for the Holiday Season

By William Safire

WASHINGTON — How best to articulate your feelings of respect and affection in the holiday season? Let a book about words speak for you. Here's what's new in the language dodge:

"Speaking Freely: A Guided Tour of American English From Plymouth Rock to Silicon Valley," by *Stuart B.* Flexner and Anne H. Soukhanov (Oxford University Press, $39.95). *Strictly* speaking, it's not new; Soukhanov, a slam-bang lexie, has telescoped and updated the late Flexner's easygoing but scholarly "I Hear America Talking" and "Listening to America." The result is a language browser's dream.

The chapter on *booze*, for example (from the Middle Dutch *busen*, "to drink or tipple" — "tipple" backformed from the Middle English *tipelar*, "tavern-keeper"), notes that *drunk* "has more synonyms (2,000) than almost any other English word." Benjamin Franklin was the first to compile a list of more than 200, including *oiled*, *stewed*, *stiff*, *soaked*, *cherry-merry*, and *nimptopsical*. (*Blotto* arrived this century, along with *crocked*, *sloshed* and *smashed*. An extended *toot* is a *hender*.)

"The Random House Historical Dictionary of American Slang, Vol. II, H-O (736 pages, $65), by J.E. Lighter with J. Ball and J. O'Connor, and Jesse Sheidlower as project editor, is to slang what the Oxford English Dictionary is to Standard English; that is, the slanguist's bible. If you invest in H.D.A.S., along with the Dictionary of American Regional English (DARE) — three volumes down, one to go — you'll have a handle on the lingo that will take you cruising through our linguistic history.

The nine scholarly pages on the slur *nigger*, for example (from the Latin *niger*, "black," and not a mispronunciation of *Negro*), show the steady increase in offensiveness over three centuries from "a racial designation apparently without rancorous intent" to one used by whites "with dismissive, abusive, or contemptuous force." The hundreds of citations in a dozen senses bring the nuanced history of the slang term, and through it the history of American race relations, into focus.

'Drunk,' for example, has more synonyms (2,000) than almost any other English word.

Despising the use of a word we consider "hate speech" does not obliterate it from the language, and a dictionary must be a faithful reporter. I looked up *kike* in Merriam-Webster's superb 10th collegiate edition and found "*n* (origin unknown) (1904) Jew — *usually taken to be offensive.*" That's accurate. Same warning, with "often" substituted for "usually," listed for *mick*. Take offense at the users, not the dictionaries.

"The American Heritage Dictionary of Idioms" ($30), with no fashionably lengthy subtitle, by Christine Ammer, takes a flier on some speculative etymologies. *Dead as a doornail*, usually shrugged off as "origin obscure," gets this guess: "Most likely it referred to the costly metal nails hammered into the outer doors of the wealthy (most people used the much cheaper wooden pegs), which were clinched on the inside of the door and therefore were 'dead,' that is, could not be used again."

"America in So Many Words" ($18, Houghton Mifflin), by David K. Barnhart and Allan A. Metcalf, matches a series of years with the words coined in them (1744: *ice cream*; 1932: *hopefully*). The 1991 entry, about *about*, noted how the vogue phrase *what it's all about* spawned the practice of putting messages in nouns. "Hair is *about* power. . . . Perhaps breasts were always *about* power. . . . The Nineties are *about* survival." Humor is "not *about* telling jokes. It's *about* the absurdity of life."

"The Oxford Dictionary of New Words." (Guess which publisher, and I can't say what the price is because *there's only a bar code on the flap.*) This is a "new edition" (publisherese for "second edition"), edited by Elizabeth Knowles with Julia Elliott, and though it has a British tilt and no coinage is sought, the extensive use of citations makes this collection of neologisms fun to peruse. *Surfing* has had a nice ride, from the dangerous *train surfing* by youngsters in Rio, to *channel surfing* by grazing TV viewers, to *net surfing* on the Internet, to *shoulder surfing* by criminals who look over the shoulders of phone-card users to steal their numbers.

New York Times Service

BRIDGE

By Alan Truscott

ONE of America's greatest bridge players, forgotten by the younger generation, died on Saturday in Manhattan at the age of 82. Peter Leventritt, a lifelong New Yorker, had a glittering bridge career that took an unusual course: His results as a player boomed after he had been a successful administrator.

He made four appearances as a member of the North American team in the World Championship, finishing second each time behind the celebrated Italian Blue Team.

In Argentina in 1965, Leventritt seemed about to finish third rather than second, but the fates intervened. The British team, on course to finish second, was withdrawn as the result of a cheating episode.

In 1961, also in Argentina, Leventritt's defense as East on the diagramed deal helped his team to defeat France. The French North-South bid to the sound contract of six spades, which would have been easy if both black suits had split normally. With the actual distribution, the slam was unbeatable at double-dummy, but Leventritt was able to take advantage of the fact that South could not see through the cards' backs.

A diamond was led to the ace, and the declarer would have had an easy time after a passive return, since the heart ace was an entry to the closed hand. But East made a challenging shift to the heart eight. He knew, of course, that South held the ace, but he also knew that South would be reluctant to duck and face immediate defeat.

Lacking a periscope, South made the normal play of the ace and played the spade king and then the queen. He planned to overtake on the second round but was frustrated by seeing a discard on his right. The best he could do was to leave the lead in dummy and play club winners, discarding heart losers. West scored a trump trick to defeat the slam, and the Americans gained 13 imps. They would have lost that amount but for Leventritt's fine defense. In the replay, the Americans rested cautiously in four spades.

NORTH
♠ K Q
♡ Q 10 6 3
◇ 5
♣ A K Q 10 7 4

WEST
♠ 10 8 5 3
♡ J 9 4
◇ J 6 4
♣ J 9 2

EAST
♠ 7
♡ K 8 7
◇ A Q 10 9 7 3 2
♣ 5 3

SOUTH (D)
♠ A J 9 6 4 2
♡ A 5 2
◇ K 8
♣ 8 6

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	Pass	3 ♣	3 ◇
3 ♠	Pass	4 ♣	Pass
5 ◇	Pass	6 ♣	Pass
6 ♠	Pass	Pass	Pass

West led the diamond four.

BOOKS

THE CONQUEST OF COOL
Business Culture, Counterculture, and the Rise of Hip Consumerism

By Thomas Frank. 287 pages. $22.95. University of Chicago Press.

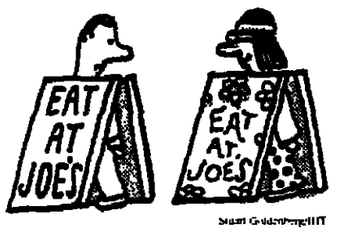
Reviewed by Michiko Kakutani

IT'S no secret that the appurtenances of the counterculture have long since been co-opted by advertisers: that the once avant-garde notion of "hip" has long since gone mainstream. Woodstock II, after all, was sponsored by Pepsi and Apple computers, and the likes of William Burroughs and Iggy Pop have helped push Nike sneakers. Transgression is no longer considered a threat to the Establishment; it's a terrific selling device.

In his uneven new book, "The Conquest of Cool," the journalist Thomas Frank argues that popular co-optation theory, which depicts businessman cynically ripping off the counterculture to *cash in on the huge youth market*, is too simplistic. He argues, instead, that many businessmen, particularly in the fields of advertising and men's wear, embraced (and in some cases even anticipated) the counterculture's adversarial stance back in the early and middle '60s.

He contends that they saw the counterculture as "a symbolic ally in their *own struggles against the mountains of* dead-weight procedure and hierarchy" that had begun to suffocate their own businesses in the '50s, and that they also regarded the counterculture's repudiation of conformity as a wonderful high-powered motor for a new consumerism based on instant gratification.

For the United States ad industry, Frank writes, "the counterculture seemed to have it all: the unconnectedness which would allow consumers to indulge transitory whims; the irreverence that would allow them to defy moral puritanism, and the contempt for established social rules that would free them from the slow-moving, buttoned-down conformity of their abstemious ancestors." As for the men's wear industry, he says it saw the revolt against establishment dress codes as a perfect opportunity to spread the gospel of fashion obsolescence and the continuing need for hip new clothes.



Stuart Goldenberg/IHT

Frank does a solid job of showing *how the advertising world's celebration* of youth and rebellion began decades before Woodstock II: the youth-oriented "Pepsi Generation" campaign made its debut in 1963: the Dodge Challenger campaign, pitting a likable hipster against an intolerant policeman, in 1969. He's also persuasive in showing how the ad industry recognized the roots of the Me Generation's consumerism in the counterculture's insistence on self-expression.

Yet at the same time, he tends to mistake defiant gestures on the part of admen, like wearing flamboyant clothes or making ironic ads, for real rebellion, while confusing advertising's adoption of a counterculture vocabulary (for the sole purpose of selling us stuff) with genuine revolt against the status quo.

When Frank turns from theorizing — which he does clumsily, repeating the same points over and over — to simple reporting, the results are considerably better. He provides the reader, for instance, with a wide-ranging, and often hilarious, overview of ads that attempted to adopt the language, pose or style of the youth and counterculture movements. Buick advertised its 1970 models as cars that "light your fire," while S&H Green Stamps announced that "with this little square, you swing."

Frank notes that the would-be rebel, the transgressive rule breaker, has not only become "the paramount cliché of our popular entertainment," but also "the preeminent symbol of the system he is supposed to be subverting." "In advertising, especially, he rules supreme." Just ask Dennis Rodman.

New York Times Service

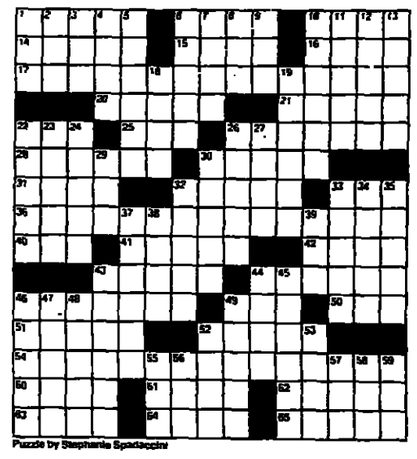
CROSSWORD

ACROSS
1 "—— the Horrible"
6 Challenge to a gunslinger
10 Out-of-focus picture
14 Wonderland girl
15 Relaxation
16 Country road
17 Evasive answer #1
20 Have a feeling
21 Prefix with linear
22 Swiss peak
25 Twain's "The Gilded ——"
26 Wailing woman, in folklore
28 Tell
30 Insertion symbol
31 Race track shape
32 Haying machine
33 Droop
36 Evasive answer #2
40 —— gratia artis
41 Nonsecular types
42 Jason's ship
43 Members of a chess line
44 Rough, as terrain
46 "Thank you for ——"
49 Author Rand
50 Golfer Ernie
51 Founder of the Soviet Union
52 Plot of land
54 Evasive answer #3
60 Capri, e.g.
61 Detroit products
62 Florida city
63 ——-do-well
64 Overpublicize
65 "I understand!"

DOWN
1 "Bali ——"
2 Entirely
3 TV actor Gerard
4 Does film work
5 Warm up, as food
6 Thick
7 Garden tool
8 White —— ghost
9 Internet
10 Deepest azure
11 Gate holder
12 Knot
13 Knot again
18 "Picnic" planner
19 Obstinate
22 Scent
23 TV actor Burton
24 "Hamlet" and "Macbeth"
26 Mild, as weather
27 Neighborhood
29 Prestly garb
30 Playbill listings
32 Existence
33 Suit material
34 Broadway backer
35 Merchandise
37 "Seinfeld" lady
38 Open wide
39 Base in baseball
43 First-grade book
44 Pitcher Nolan
45 Clear, as a drain
46 Killed
47 German Hermann
48 Leg joint
49 Get up
52 Canvas cover
53 Mexican sandwich
55 Oh, in Heidelberg
56 —— Men's Health Crisis
57 Tit for ——
58 Yalie
59 Stinker

Solution to Puzzle of Dec. 12

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N	T	H		C	L	O	O	N	E	Y		R	I	D
N	O	O	N		A	N	N	E	S		B	I	T	O
E	N	R	O	L		S	T	S		P	U	T	I	N
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E	L	E	G	I	Z	E		D	R	A	Y	A	G	E
R	E	M	O	D	E	L		A	B	L	A	T	E	D
	S	A	G	E	L	Y		R	O	M	P	E	R	


Puzzle by Stephanie Spadaccini

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ADVERTISEMENT

DESTINATION GREECE: CRUISES

Full Steam Ahead: Shipowners Meet Competition

Greek cruise companies, which for decades have enjoyed a privileged monopoly on the island-studded holiday playgrounds of the Aegean Sea, are bracing themselves for some international competition. European Union legislation requires member countries to open their markets to competition. The wake-up call to Greek companies is compounded by a second challenge facing the current generation of Greek shipowners, namely the improved standards demanded by new SOLAS (Safety of Life at Sea) regulations.

The shipowners say that, although these are some of the greatest challenges they have ever faced, they will weather the storm. They have devised six measures to adapt to the heightened competition and standards.

"New entrants no doubt will be entering or will try to enter this popular market," says Andreas Potamianos, president of the Greek Passenger Shipowners Association and director of Royal Olympic Cruises, the country's largest cruise company. "However, this is not necessarily a bad thing. It will help enlarge the cruise market and will lead companies around the world to launch promotion campaigns for their vessels, which will draw even greater attention to this unique part of the Mediterranean. Ultimately, as already proved, such increased competition and the new SOLAS regulations may well have similar long-term benefits."

Increased international competition aside, concern among cruise ship operators stems from a recent statement on SOLAS by the International Maritime Organization. It said that "for ships built after 1976, it might be considered that a major overhaul will be viable, while vessels constructed before that date will need careful review." What's more, a proposed European Union directive says that any passenger vessel more than 35 years old should be taken out of service by the year 2000.

Industry assessments are that as much as 30 percent of the total world passenger and cargo tonnage could suddenly be taken out of operation. This could amount to quite a scare for the clan of Greek shipping magnates, whose ships account for a massive 51 percent of total EU tonnage. Yet Mr. Potamianos predicts that few Greek ships will be retired because they follow the practice of continual upgrading.

The Greek magnates are not being complacent. They have long been fighting EU pressure and have gained extensions on protecting their monopoly up to the year 2000, on the grounds that this massive Greek industry should be helped and the crews protected from large-scale unemployment. With the inevitable competition now on their doorstep and expected to start on certain routes as early as next year, however, the shipowners have been preparing for the tussle through their six-point strategy.

Last year, 130,000 passengers from more than 90 countries enjoyed Greek cruises

The first major move has been to attempt mergers and consolidations among the fragmented cruise companies. Three years ago, the country's two leading enterprises, Epirotiki and Sun Lines, merged to form the now-dominant Royal Olympic Cruises consortium. This cruise line, which specializes in three- to 14-day cruises (rather than the popular one-day tours), will be a hard match even for the largest foreign competitors. Royal Olympic is gradually convincing some of the two dozen smaller companies, which compete on one-day smaller cruises to highly popular Greek islands and coastal resorts, to join its umbrella subsidiary, Olympic Short Cruises. Epirotiki has already purchased the large and small vessels of the now-defunct Thomas Lines.

Greek companies competing in the day-cruise market that are considering Royal Olympic's proposal, as well as possible mergers of their own, include Attika Shipping, Damarion Shipping, Daphne Cruises, Golden Beach Maritime, Hydrodynamic Cruises, Minoan Cruises, Mount Athos Lines, Pleasure Cruises, Sea Cruises M.C. and White Sea Bird Maritime. Also worth noting is the Athens- and Cyprus-based Louis Cruise Lines.

The second step in the plan is modernization.

"Both Royal Olympic and other companies will acquire new ships before the new millennium," says Mr. Potamianos. "Not mega-ships, but ones that are suitable for Greek island cruising, around the 1,000-passenger capacity."

Royal Olympic has ordered two new vessels, each with a 960-passenger capacity. Manolis Methimakis of Minoan cruises says his company will also place new ships on routes "in the long term." Since the Greeks can no longer hope for the generous government subsidies of the past, they are negotiating loans and EU financing for their initiatives.

The third front on which the Greek magnates are taking action involves pressuring the government to improve legislation in order to make Greek ships more competitive. This requires a delicate balancing act, since it could mean hiring more crews from developing countries — which could increase Greek unemployment.

The fourth move is a drive to lure clients from the developing markets of Eastern Europe. An emerging class of Eastern Europeans are taking advantage of Greek cruises. Greece has the advantages of geographic proximity, cultural affinity and cheaper prices compared with other West European countries. These factors have indeed drawn a significant number of Eastern Europeans, who started taking one-day cruises and are now steadily increasing to three-day ones.

Predictions vary, however, as to how important a market this will be in the longer term.

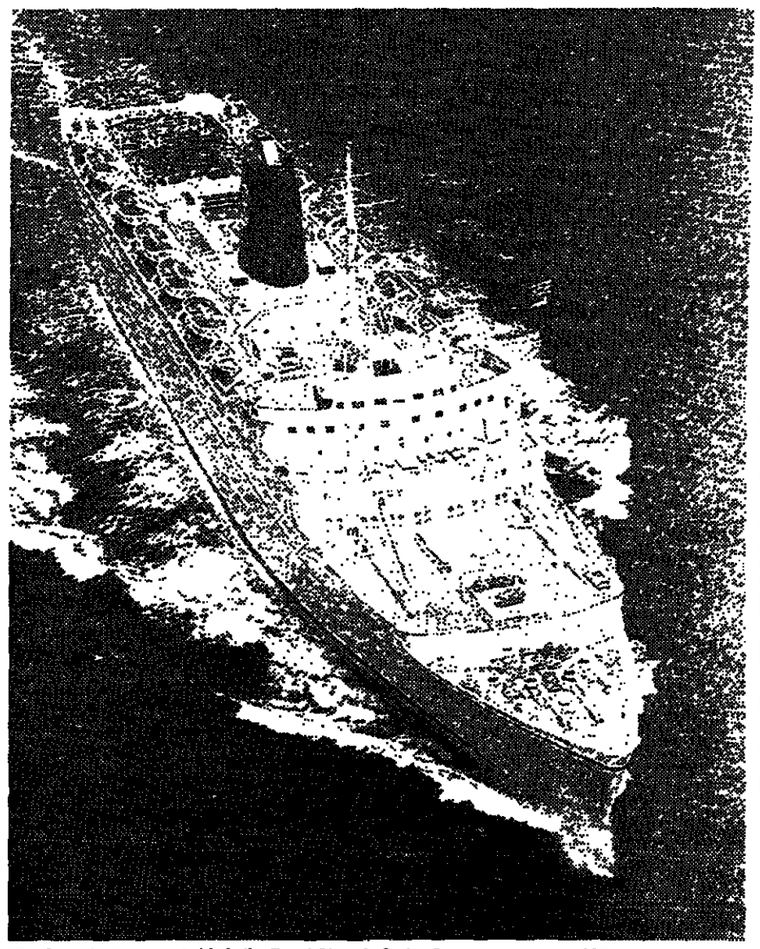
"We'll definitely see new vessels after next year, and I see new markets for cruises opening up in Russia and later even in China," says Alina Dritsa of Hydrodynamic. Vasills Panayotopoulos of Daphne Cruises Shipping Company also predicts that more Greek and foreign ships will enter the popular one-day cruise market and that more passengers will come from Russia, Ukraine, Poland, the Czech Republic and Slovakia.

Nikos Vouloumanos of Sea Cruises is less optimistic.

"The situation is not good," he says. "Ships are just too expensive to maintain, so I believe we'll just see ships changing hands. Markets are not good, with fewer and fewer passengers coming from Japan and new markets in Eastern Europe not materializing to the extent expected."

Antonis Priovolos of Attika Shipping has a similar attitude.

"New companies with new ships will soon enter the marketplace, but I don't see any new markets opening up within the next couple of years. Eastern Europe has opened already, while it will take a long time before we see an influx from such places as China and India."


The Olympic, the largest ship in the Royal Olympic Cruise fleet, can carry up to 900 passengers.

The fifth part of the plan calls on shipowners to turn to the local market, just as they turned to the Eastern Europeans when tourism dropped in the 1993-96 period. Even before that period, when North Americans — by far the Mediterranean market's biggest clients — stayed away, cruise operators enticed the local market with cheaper prices to fill the empty cabins. As a result, well over 15 percent of today's Aegean cruise passengers are Greek, compared with only 1 percent in the mid-1980s. They are now the second-largest national group after U.S. citizens.

Accommodating both the Greeks and Eastern Europeans will be a result of the sixth part of the strategy to prepare for the competitive years ahead. Cruise operators have lowered their prices, developing packages that make cruises of a few days comparable in price to staying at seaside resort hotels. Cruises are no longer a luxury for the privileged few.

Such competitive measures in the competitive market of the lucrative Aegean and Mediterranean cruise market are not difficult to understand if one looks at the figures. The Cruise Line International Association reports that, until the year 2001, the cruise industry will grow about 10 percent annually. Joanna Despotopoulou, Royal Olympic's director of public relations, says that last year alone the company's clients totaled 130,000, coming from 92 countries around the world. Almost half were North Americans, followed by 9 percent from Greece, another 9 percent from Spain, 14 percent from other European countries and the rest from a smattering of people from 80 other countries. Ms. Despotopoulou says that the number of passengers increased 30 percent this year from 1996.

The implication from these figures is clear to the majority of Greek cruise ship owners: in the next decade, they say, business will continue to grow at a modest but firm pace, with the North American and European — both Western and Eastern — markets as the main drivers of the expansion.

For more information, please contact the Greek National Tourism Organization at (30 1) 321 1528; fax: 323 6849. ●

"DESTINATION GREECE: CRUISES" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the Greek Tourism Organization. WRITER: John Rigos, based in Athens. PROGRAM DIRECTOR: Bill Maluley.

INTERNATIONAL

In Tour of Africa, U.S. Pulls Its Punches on Human Rights

Albright Appears to Accept the Need for Some Authoritarianism

By Thomas W. Lippman
Washington Post Service

NEWS ANALYSIS

PRETORIA — All around Africa last week, Secretary of State Madeleine Albright pulled her punches a bit on the subjects of democracy and human rights.

It was not that she had failed to emphasize U.S. support for individual rights and political freedom — she had, at every stop, urging the leaders she had met to turn away from the repressive practices of Africa's brutal past and embrace international standards of behavior.

But that message was tempered by an acknowledgment that even the most forward-looking African leaders are fighting for political and economic survival, and that Washington is willing to cut them some slack.

"Those who would build democratic institutions and market based economies," she said in the keynote speech of her seven-nation tour, "face tremendous obstacles." She called them "societies weakened by protracted and brutal conflicts, devastated government institutions and the legacies of authoritarian rule."

At several stops, she said the United States must accept responsibility for some of those problems, especially in Congo, where Washington for years supported the dictator Mobutu Sese Seko while he bankrupted the country and destroyed its public institutions.

In addition, she stressed that Washington now seeks "partnership" with African leaders it regards as progressive — a relationship in which "I talk less and listen more," as Mrs. Albright said several times. That means allowing national leaders whose security forces may seem excessively vigorous an opportunity to explain the need for force, rather than lecturing them about their tactics, senior aides to Mrs. Albright said.

As one member of her party put it in Rwanda, "We don't do Mary Robinson" — an allusion to the UN High Commissioner for Human Rights, who has no other agenda. In Africa today, the United States has many other interests, including the promotion of stability and security, which often means the use of methods not appreciated by human rights groups.

In a way, the Clinton administration is revisiting in Africa the policy shift it went through with regard to China in President Bill Clinton's first term. Faced with the need to deal with China as a strategic and economic partner, the president decided he would not allow those ties to be held hostage by Beijing's dismal rights record.

Similarly, the administration has recognized that much of Africa simply cannot be fairly judged by Western standards of personal and political freedom, senior officials said. Mrs. Albright repeatedly emphasized the U.S. desire for movement toward those standards, but did not insist that they be met immediately.

This policy of engagement without judgment has manifested itself throughout her first trip to Africa as secretary of state. Mrs. Albright has hailed the national leaders she has met as advocates of a new era, even though some of them have been around for more than 20 years and most of them have never been elected to anything.

In Uganda, which the State Department describes as a "uniparty democracy" where President Yoweri Museveni has held unelected power for 12 years, Mrs. Albright called the country "a beacon of hope." She said she emphasized to Mr. Museveni "America's constant concern with respect to human rights," but also noted that Uganda is battling insurgencies in its north and west and must defend itself.

In Rwanda, where a military-backed "transition" government is still fighting elements of the militias responsible for the 1994 genocide of more than 500,000 Tutsi and where there have been widespread reports of abuses by the security forces, Mrs. Albright said blandly that she "discussed with Rwanda's leader the importance of providing security without harm to noncombatants."

"We understand the context" in Rwanda, a senior U.S. official said. "There are attacks against schools and markets," the official said, and "she urged continued vigilance against excesses by the army."

This "benefit of the doubt" approach was on clear display in Mrs. Albright's meeting with President Laurent Kabila of Congo, who came to power last spring after a seven-month military uprising that ousted Marshal Mobutu.

Mr. Kabila is widely regarded as having a dubious commitment to democracy at best, and has been described by some critics as just another African "big man" of the type Mrs. Albright is trying to consign to the past.

At a joint news conference with Mrs. Albright, he responded sneeringly to a question about a jailed political opponent, saying the man was not a legitimate political figure but a radical who incites violence.

"Those who incite violence must be prepared to go to prison," Mr. Kabila said. "Long live democracy."

Mrs. Albright, however, stuck to her nonconfrontational approach.

"Decades of misrule have left the Congo with grave economic and political problems," she said. "But today, the Congolese people are clearly ready and eager to end their country's long isolation and stagnation. We want to do all we can to help. The new government, under President Kabila, has expressed a commitment to constitutional reform, democratic elections and economic recovery. There is a long way to go to reach these goals, but I am encouraged by a number of positive steps."

She said rebuilding Congo "requires a commitment to open markets, honest government and the rule of law. President Kabila has made a strong start toward these goals with his government's stabilization plan."

Scientist Dies From Virus Transmitted By Monkey

By Rick Bragg
New York Times Service

ATLANTA — Elizabeth Griffin, 22, a primate researcher, was careful to follow the precautions intended to shield her from the diseased animals she handled. She always wore gloves and a mask, and she was usually separated from the primates by a mesh cage.

Death found its way past her defenses, literally in the blink of an eye.

Six weeks ago, Miss Griffin, who planned to be a doctor, was helping to move a caged rhesus monkey infected with the herpes B virus at the Yerkes Regional Primate Research Center here, when the animal flung a tiny drop of fluid — perhaps urine or feces — at her face.

It struck her in the eye. On Wednesday, paralyzed and weakened, she died of complications from herpes B, which is common in primates but rare and deadly, 70 percent of the time, in humans.

The consequences of that animal-to-human contact, and the almost freakish way it caused Miss Griffin's death, seem lifted from Hollywood. Unlike the movies, however, there is no public health risk here, researchers said, just a single misfortune.

Only 40 cases of primate-to-human transmission of the virus have been reported since 1933, when the first case of human exposure was seen. Almost all were the result of bites and scratches.

Miss Griffin, from Kingsport, Georgia, probably never thought she was at risk.

"This was an extraordinarily low-risk activity by any measure we have," said Dr. Thomas Gordon, associate director for scientific programs at the Yerkes center, which is an arm of Emory University's medical school.

The center conducts research in AIDS, neuroscience, gene therapy and other areas, and is a frequent target of animal rights protesters.

On the day she was infected, Miss Griffin was dressed as usual, wearing a mask, gloves and lab coat. The monkey's cage was covered by a fine wire mesh to protect her and others from the animal's teeth and claws.

Health regulations require researchers to wear goggles or safety glasses when there is a risk of contact with an animal's fluids, like when an animal is removed from its cage. But that was not required in this case because Miss Griffin was holding the cage at arm's length, officials said.

"During this transfer, as she tried to look into the cage to check the status of the monkey, something came out," Dr. Gordon said. "Because it was so minor an event, it was not even viewed by the individual as serious."

Two weeks after she felt the tiny drop hit her eye, he said, Miss Griffin developed a headache and eye infection. Miss Griffin, who graduated this year with a degree in biology from Agnes Scott College, was admitted to Emory University Hospital, and at first responded well to anti-viral medication. She even went home. But about 20 days later, her legs became weak and she went back to the hospital.

By that time, the disease had ravaged her. Herpes B, which has few clear treatment guidelines because there have been so few cases, causes encephalomyelitis, an inflammation of the brain and spinal cord, which leads to paralysis.

Miss Griffin, breathing with the aid of a respirator, was unable to move, Dr. Gordon said, but was alert until just before her death from bacterial infections and respiratory distress syndrome.

EUROPE: *Rejected by Union, Turkey Ends Political Dialogue*

Continued from Page 1

Diplomats here said they feared Turkey might also seek to block the eastward expansion of the North Atlantic Treaty Organization, of which it is a key member with the largest army in the region.

Mr. Yilmaz boycotted a dinner Saturday for leaders of the candidate countries in Luxembourg, and later accused the EU of treating Turkey in a biased, exaggerated and discriminatory fashion.

Anger boiled up in Ankara after Prime Minister Jean-Claude Juncker of Luxembourg said the Union could not allow "torturers" at its conference table, and suggested it would take decades before Turkey could fulfill its "European vocation." Mr. Juncker and other leaders said that there was no discrimination against Turkey, to which they were applying the same standards as to all the candidate nations. When Turkey met those standards, Mr. Juncker said, it could be considered for membership.

"Europe does not reject Turkey. We are not a club of Christians, but we are a club with high standards," Mr. Juncker said, rejecting a suggestion that the EU had turned its back on a moderate Islamic ally.

The EU leaders said Turkey's human rights record, its campaign against the Kurds, its failure to resolve disputes with Greece peacefully and its obstructive attitude on Cyprus ruled out candidacy at this time.

Chancellor Helmut Kohl of Germany, which has 2.3 million Turkish residents, said that it was "totally erroneous" to say his country was nervous about Turkish membership and that it was "particularly wrong to say that we have an anti-Islamic position."

But he added, "A dramatic change in the number of Turks in Germany would not be tolerable to German public opinion nor to those in the rest of the European Union."

In Nicosia, meanwhile, the Turkish-Cypriot leader, Rauf Denktash, said the EU's invitation to Cyprus to start membership negotiations could end intercommunal talks on the island. He said the Union had "helped destroy the established framework for a settlement in Cyprus."

The EU has said it wants to open talks with the entire island, but if Turkey or the Turkish Cypriots prevent the occupied northern sector from joining, it will negotiate with the Greek Cypriots alone.

Mr. Yilmaz said that if it opened talks with Cyprus, "the EU will be responsible for all possible negative developments." In January, Turkey and the Turkish-Cypriot state, which is recognized only by Ankara, said they would integrate their state structures if EU-Cyprus accession talks went ahead.

Since Turkey invaded the island in 1974, about 80,000 Turkish citizens have moved to northern Cyprus.

Greece spearheaded the opposition to Turkish membership in the EU. It insisted that its territorial dispute with Turkey, which nearly led to war last year over an uninhabited Aegean island, should be submitted to the international court of justice in The Hague.

Prime Minister Costas Simitis said to reporters at the summit meeting that Greece was bracing for a possible confrontation with Turkey.

Mr. Yilmaz stopped short of saying that Turkey had withdrawn its formal 1987 application to join the EU. He said the country would seek to build up its contacts with individual EU states.

The pan-European conference scheduled for March "has lost its meaning for us," Mr. Yilmaz added.

In addition to Cyprus, the EU leaders invited Estonia, the Czech Republic, Hungary, Poland and Slovenia to begin membership negotiations early next year.

Five other nations — Bulgaria, Latvia, Lithuania, Romania and Slovakia — were placed on a slower negotiating track. They will be given special aid to help them meet entry conditions.



Agence France-Presse

Prime Minister Mesut Yilmaz speaking to the press Sunday in Ankara.

TRADE: *World Agreement to Liberalize Financial Services Could Help Increase the Flow of Capital to Asia*

Continued from Page 1

than backward," Mr. Clinton said.

Lawrence Summers, deputy U.S. Treasury secretary, said in Washington that the accord was an "important response" to the financial crisis that has shaken Asian markets. "The agreement here and the commitment embodied in it should be an important contributor to confidence that will catalyze the flow of private capital," Mr. Summers said.

"We have seen a recognition by more than 100 countries of the important benefits that global financial markets can bring and of the reality that participation of foreign financial institutions can bring know-how, can raise capital base and that global institutions can provide important services to local businesses," he added.

In Geneva, Mr. Ruggiero said Sunday that "one of the most important benefits from this breakthrough accord is that it should help new capital flows to Asia and thus strengthen the financial institutions in the region."

Mr. Ruggiero added that this was one of the reasons why negotiators were keen to complete the deal. He also said that Robert Rubin, the U.S. Treasury secretary, "wrote me a letter recently in which he described this accord as part of the solution to Asia's crisis."

The WTO chief added that the pact would bring "more competition and thus better financial services at lower costs to ordinary citizens everywhere."

The deal was delayed because the United States, which already has open markets, had held out for better offers from Asian countries. Several developing countries, led by Malaysia, feared that the trade liberalization pact would result in a colonization of their domestic financial services sectors by major American players.

But at the same time, diplomats in Geneva said there was a growing realization among East Asian nations hit by the current financial crisis and by a lack of access to fresh money that their best hopes of reconstructing their banking systems would lie in improving foreign banks' access to their domestic markets. Some Asian trade officials have conceded that a deal would send a positive signal to international investors and restore confidence in the troubled region.

The accord was held up two hours after its deadline at midnight Friday in Geneva because of a dispute between the United States and Malaysia over Kuala Lumpur's refusal to allow foreign insurers to own more than 51 percent of local companies.

Many Asian diplomats accused Washington of putting the entire deal at risk to protect the interests of American International Group, a big U.S. insurer that owns 100 percent of a Malaysian operation and which could still be forced to divest up to 49 percent of its shares.

The deadlock was broken by a political compromise under which Washington reserved the right to impose sanctions against Malaysia if it continued its practice of forced divestiture of foreign insurance holdings to the 51 percent level.

On Sunday, Rafidah Aziz, Malaysia's minister of international trade and industry, said she had no details about the case of New York-based American International Group. "Whoever is here operating will have to subscribe to Malaysia's current policy," she said.

With U.S. financial services industry lobbyists in close contact with the U.S. delegation in Geneva, the Malaysian compromise was one of the last three items to be negotiated in the early hours of Saturday morning. The others concerned Japan and Korea.

At the last minute Japan agreed to extend market-opening measures in the insurance sector from a bilateral accord with the United States to all WTO members. South Korea, meanwhile, declined to allow foreign investors to own controlling stakes in its banks, even though some South Korean banks are on the brink of insolvency.

In Washington, Mr. Summers denied that the Asian crisis had caused the United States to accept a watered-down agreement. But he said the United States would ask South Korea "to provide extra measures" toward the liberalization of its financial markets next year.

The WTO accord, which is scheduled to go into effect in March 1999, does not require new action by the U.S. Congress because American financial services markets are already open.

The accord could nonetheless come under fire on Capitol Hill because of anger at a recent WTO ruling that rejected a complaint by Eastman Kodak about restrictions in the Japanese film market.

Mr. Ruggiero said one of the next big priorities for the WTO would be completing talks aimed at admitting China to the organization. The U.S. trade representative, Charlene Barshefsky, appeared to signal progress on this front over the weekend when she acknowledged a new offer from Beijing that would "substantially reduce" Chinese tariff barriers.

"China has evidenced a will to try to move negotiations forward, and that is very welcome indeed," she said.

The financial services accord marked the third big trade liberalization accord of 1997. In February the WTO achieved a global telecommunications deal, and in March countries accounting for 95 percent of world trade in information technology products agreed to phase out all tariffs by 2000.

BEEF: *Acting on 'Mad Cow' Scare, U.S. Expands European Ban*

Continued from Page 1

20 people, most of them in Britain.

Mr. Dunn said the decision to expand the import restrictions came after two animals diagnosed with the disease in Belgium and Luxembourg went into the animal food processing system. In addition, British scientists this month discovered that the disease can infect additional parts of the animals, including bone marrow.

"This import policy is science-based and consistent" with international guidelines, Mr. Dunn said.

The Agriculture Department will lift the import restrictions for any country that shows it has a mad cow surveillance program that conforms to international standards and contains adequate controls for imports, Mr. Dunn added.

According to the American Meat Institute, the United States imported about 381,000 metric tons of beef and veal from Europe in 1996, and about 114,000 metric tons of lamb and mutton.

■ Infected Blood in Transfusions

Nearly 270 people in Ireland have received blood from a British donor who turned out to be infected with the Creutzfeldt-Jakob virus, according to the Irish Health Ministry, Agence France-Presse reported from Dublin on Sunday.

Blood products from the donor were transfused into patients in nine hospitals before it was learned that the donor had died of the disease. The products were destroyed, the ministry said.

WORK: *He Retires; She Continues Career*

The Rewards of Working A Little Longer

A few extra years of work can substantially increase a woman's monthly Social Security benefits. For example, a woman who started working in 1981 at age 45 and is earning $30,000 annually at the time she retires could double her benefit by working to age 70.

If she retires at 62 in January 1998, her benefit would be ...

$535 a month

If she retires at 65 in January 2001 ...

$733*

If she retires at 70 in January 2006 ...

$1,102*

*In today's dollars.

Source: Social Security Administration NYT

Continued from Page 1

practice of sharing their husbands' retirement.

Surveys are just beginning to catch the shift and the reasons for it across the United States. A big one is the promise of an independent pension to avoid the poverty that often comes to widows who rely on their husbands' benefits. Social Security, the main ingredient in most cases, is reduced after a husband's death.

"Older women keep working to secure their economic survival," said Heidi Hartmann, director of the Institute for Women's Policy Research in Washington.

What is more, the extra income earned by the women helps maintain family living standards, particularly if a husband has been pushed out of the labor force before he had planned to retire.

Whatever the reasons, women's persistence in working could have broad implications for the economy. It could, for example, relieve some of the financial pressure on the Social Security system, which will be stretched thin when the baby boomers — those born between 1946 and 1964 — retire.

The statistical evidence is still sparse, but the shift appears to apply mainly to those 55 to 64 and not to those 65 and older.



Don Pinkston/The New York Times

Ruth Cambron, 73, of Sacramento, California, took a leave but returned to her job as a health care specialist after her husband's retirement.

The University of Michigan, which is tracking people in their 50s and 60s in a federally financed study that is just beginning to produce data, found that of 813 married women whose husbands had retired, 45 percent still worked, most of them full-time.

Labor Department surveys also suggest that married women are working in increasing numbers after their husbands stop, or at least that married women aged 55 to 64 are staying in the labor force in rising percentages while men are not.

Nearly 3.5 million women in this group were in the labor force last year, or 48.6 percent of all married women 55 to 64, up from 41.3 percent in 1989 and 36.3 percent in 1980. But the percentage of married men in that age group in the labor force has fallen to 70.2 percent, from 75.4 percent in 1980.

"Women are beginning to realize that by working just a few more years, they become eligible for good pensions," said Olivia Mitchell, a labor economist at the University of Pennsylvania. "The benefit of those few extra years can be quite high."

IRAN: *Leader Extends Hand to Americans*

Continued from Page 1

Aides to Mr. Khatami say he has been wary of saying anything that might promote a backlash among Iranian conservatives. They also concede that it remains unclear how much influence the new president can wield within Iran's complicated power structure in shaping the country's future course, particularly in foreign policy.

But as he took center stage to answer reporters' questions for more than an hour Sunday, Mr. Khatami sounded a new tone, even suggesting that it was "a source of sorrow" to him that the United States and Iran had not done more to patch up their differences in the nearly 19 years since the revolution.

The Iranian president stopped short of saying that he expected renewed contacts between the two governments, and he did not spell out how he intended to re-establish a dialogue with the American people. He said instead that the "first step" would be for American politicians to "understand their own time" and recognize that it was a mistake to maintain their efforts to isolate Iran.

"Instead of talking with forked tongues, we want to have a rational dialogue," Mr. Khatami said. "We want to have a dialogue of civilizations."

Mr. Khatami's message might help to mute U.S. objections to closer ties, but there was little in what he said that appeared sufficient to allay what have been the United States' principal concerns.

He did not address allegations that Iran is attempting to acquire nuclear weapons, a charge that Tehran has repeatedly denied. He said Iran was opposed to terrorism, but made an exception for "the legitimate defense of people in occupied land," thus offering an implicit justification of Iran's support for Hezbollah and other militant groups fighting Israel.

And while he said that Iran was "not going to take any action" against a broader peace in the Middle East, he criticized as unjust the approach being promoted by the United States. Mr. Khatami singled out Israel and its "Zionist regime" as "the only country which we do not recognize these days."

In the last month alone, the Iranian president noted, Iran and the European Union have patched up differences that had resulted in the withdrawal of the European ambassadors, while its holding of the Islamic summit meeting helped Iran to begin rebuilding strained ties with such countries as Saudi Arabia and Egypt.

The summit meeting, attended by representatives of 54 countries, proved that "the Islamic Republic of Iran is not isolated," Mr. Khatami asserted.

صكذا من الأصل

Scientist Dies From Virus Transmitted By Monkey

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Herald Tribune INTERNATIONAL
BUSINESS/FINANCE
MONDAY, DECEMBER 15, 1997

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Uncharted Waters: Lessons of the Past Fail to Explain Asia Turmoil

By Steven Pearlstein and Tim Smart
Washington Post Service

The Asian financial crisis, which only weeks ago was being shrugged off as a mild irritant to the U.S. economy, has now sent investors, executives and economists scrambling to revise their forecasts and strategies. Few are willing to predict when or how the Asian mess will end.

"Most people right now, if they are being at all honest, have got to be a bit scared," said David Hale, chief economist at Zurich Kemper Securities in Chicago.

"We're in the midst of a global crisis of confidence that is more serious than any we have had in the modern era. Nobody can tell you how it is going to turn out or what the full economic and political consequences will be. We're in uncharted waters right now."

Preliminary forecasts showed that troubles in Asia should have only a modest impact on the U.S. economy next year. But even those who make such predictions now concede that psychological factors — not economic and business fundamentals — are driving Asia's problems. And no economic model exists that can predict when bankers will lend, investors invest or central bankers expand the money supply.

Up to now, the direct impact on the U.S. economy has been a mix of lost business and new opportunities. Many companies have reported minor losses from currency trading and modest efforts to redirect purchases and sales from one region to another.

On Wall Street, analysts and investors spent much of last week marking down the stock of global powerhouses such as Coca Cola Co., J. P. Morgan & Co., Texaco Inc. and Oracle Corp. after the companies lined up to confess that profit growth would slow as a result of Asia woes.

At the same time, though, the rush of global investors seeking a safe haven in U.S. Treasury securities sparked a bond market rally that drove long-term interest rates below 6 percent.

At the Houston headquarters of Enron Corp., executives spent the week recalculating the odds that natural gas projects they are involved with in the Philippines and Indonesia might be delayed, hurting sales. But they are also considering whether to buy more of their pipes and valves from Asia rather than Europe or the United States because the plummeting currency values have made things cheaper there.

And even as Citicorp stock was being hammered because of expected trading losses in Asia, its executives were bargain hunting in Bangkok, buying a majority stake in an ailing bank there.

Officials at Xerox Corp. say the Asian turmoil should not affect its bottom line but could well change the mix of what it sells. While the company is likely to sell fewer of its high-end copiers in Asian markets, lower costs for its Asian-made ink-jet printers are expected to boost sales in the United States.

This is the way that markets are supposed to adjust to new conditions and stabilize crises before they get out of control: One investor's loss becomes another's buying opportunity. The economic drag from fewer exports is offset by more and cheaper imports. Lower interest rates offset lower operating profits.

But economists warned last week that the Asian crisis could overwhelm these stabilizers because of the shocks it has inflicted on the world's financial system — the increasingly interdependent network of banks and stock markets that provide businesses and consumers with capital they need to operate from day to day. In the last month, South Korea discovered that even a basically sound economy can be brought to its knees if panicked investors and lenders all demand their money back at the same time.

And this week, all eyes will turn to Japan, where the government is expected to unveil a rescue package for ailing banks whose refusal to make loans has effectively brought the world's second-largest economy to a standstill.

As recently as last month, most economists predicted that the Asian crisis would, at most, shave half a percentage point off the U.S. gross domestic product next year, leaving the country with a still-healthy growth rate of 2 to 2.5 percent. But the economists concede that just as their models missed the outbreak of the Asian crisis because they do not consider dramatic changes in the flow of capital, so they cannot predict how far the Asian economies will fall and when they will stabilize.

Likewise, they cannot anticipate what a possible default by South Korea would do to the economies of India and Russia, or even Brazil, as investors pull

See ASIA, Page 13

In Crisis, Rubin Sticks Calmly to Basics

By Clay Chandler
Washington Post Service

WASHINGTON — If anyone in Washington had forgotten that Treasury Secretary Robert Rubin earned his pinstripes as a top trader at one of the most powerful investment banks on Wall Street, the past few weeks have been a reminder.

With South Korea struggling to avoid the collapse of its banking system, the Japanese economy faltering, and stock and currency values throughout the rest of Asia gyrating wildly, Mr. Rubin has maintained an almost eerie calm.

Invisibility in times of crisis has become a hallmark of Mr. Rubin's management style. He has said almost nothing publicly about the turmoil raging through Asia. The few statements he has made have been worded carefully. He has kept to his regular schedule — even when it took him far away from the Treasury Department — to avoid conveying the slightest hint of panic.

Mr. Rubin, according to former Wall Street colleagues and officials who have worked with him in the Clinton administration, brings to his duties at the Treasury a trader's respect for the power of modern capital markets.

"Bob is market person," said W. Bowman Cutter, who worked as Mr. Rubin's deputy at the National Economic Council during President Bill Clinton's first term in office. "He knows what markets will find convincing and what they want."

Perhaps most telling has been Mr. Rubin's refusal to support any easy bailouts for borrowers that have failed to honor their financial obligations.

As Seoul's troubles mount, some analysts have argued that a financial meltdown there could reverberate throughout the global economy and therefore must be prevented at all costs. But if Mr. Rubin shares this view, he has given little sign of it so far.

If anything, Mr. Rubin's remarks in public and to some of the market players he has consulted in recent days have highlighted his refusal to budge from the economic reform plan prescribed by the International Monetary Fund. He has appeared annoyed with attempts by South Korean officials' efforts to wriggle free from the IMF's strictures.

Mr. Rubin's low public profile in the face of the spreading crises has some market players concerned. Stephen Roach, economist at Morgan Stanley Dean Witter in New York, said, "Silence is a recipe for further uncertainty, and more uncertainty could mean disaster."



Louis Lanzano/Agence France-Presse
Robert Rubin, Treasury secretary.

Corporate America Feels The Pinch of Asian Crisis

Some Firms Fret as Others Are Able to Cut Costs

By Louis Uchitelle
New York Times Service

Two freighters carrying logs from the Weyerhaeuser Corp. in the Pacific Northwest steam idly at sea near South Korea, their cargoes undelivered — perhaps undeliverable. Just as the ships approached port, the Korean buyers refused to pay for wood they no longer needed to build homes and furniture they can no longer sell while Asia's financial crisis spreads.

Tiffany, enjoying brisk jewelry sales on Fifth Avenue, is hurting in Hawaii. The Japanese tourists who normally visit and buy there are doing neither lately. And Reebok International, the shoe giant, reports that its sales to Asia's consumers are way off.

Take the Rockport shoe boutique, a Reebok subsidiary, in Seoul's upscale Myondong neighborhood.

"People come in here and they realize this is an American brand and they don't buy," said Kim Myung Chal, the store manager.

Hundreds of stories like these are bringing the Asian financial crisis home to corporate America. So far, the effects have been small for most companies.

Weyerhaeuser, Tiffany and Reebok may be hurting in the Pacific, but their sales worldwide are still rising. And added together, all the setbacks at worst only seem to be nibbling at the overall U.S. economy. Some companies even expect to profit from the turmoil by selling products in America that are ever cheaper to make in Asia with the region's falling currencies.

The U.S. economy, in the view of many experts, is simply too big and too complex to be brought down by what has happened so far in Asia.

"My line is always 'America has 130 million workers,'" said Paul Krugman, an economist at the Massachusetts Institute of Technology.

"You can go out there and find stories that affect a thousand companies and a million workers, and it is still not important in the larger picture."

But while the effect thus far appears to be marginal for most American companies — a Weyerhaeuser official, for example, says the undelivered logs might cost the company several hundred thousand dollars, a pittance for a company with more than $11 billion in annual revenue — the cumulative effect on the U.S. economy as a whole could be harsh.

Some of the damage might show up at first as good news for consumers in the form of falling prices for Asian goods sold in America. But more Asian imports could swell the U.S. trade deficit to a damaging level and shrink American operations that make similar goods — textiles, electronics, furniture and auto parts, for instance — or push companies to move operations abroad.

"It accelerates the move offshore; that is the bad news," said Jay Meltzer, director of Johnson Redbook Service, which compiles retail data. "And the good news is that it puts the kibosh on inflation. Every apparel company that I speak to talks of doing more sourcing offshore, and particularly now in Asia."

Many forecasters expect the Asian crisis to slow the growth of the American economy by only half a percentage point, to about 2.5 percent in 1998. But a few are talking about a decline of one percentage point, enough to cut back job creation and make the low unemployment rate edge up gradually.

There is a more dire scenario — that the panic in Asia becomes infectious, scaring American investors sufficiently to bring down stock prices. That would make millions of Americans feel less wealthy, undermining the consumer confidence that has sustained two years of strong economic growth.

"The Asian crisis, although a small thing, becomes the pin that pricks the stock market bubble in America, assuming there is a bubble," Mr. Krugman said.

Korean Conglomerates See Exports as Holy Grail

By Don Kirk
Special to the Herald Tribune

SEOUL — "Exports are the power of the country," the late President Park Chung Hee said, and South Korea's sprawling *chaebol*, or conglomerates, subscribe to that maxim more strongly now than ever.

"To overcome this crisis, export promotion is the most important policy of the country," Kim Chang Ro, director of the export division of the ministry of trade, industry and energy, said last week. "We are going to try to have the foreign capital investment to support our industry and support exports."

His comments reflected how the influence of President Park — a former general who seized power in 1961 and ruled with a dictatorial hand until 1979 — lives on in the basic structure of the chaebol and the banks, and this country's almost instinctive drive to export at any price.

The impression is the chaebol are paying little more than lip service to the need for fundamental transformation — often in the form of downsizing — of their groups. "It's pretty hard for them to change overnight," said Park Nei Hei, an adviser to the Boston Consulting Group.

Exporting is "one way to get some hard cash," he said.

Only from experience in the coming months, Mr. Park thinks, will the chaebol come to accept the need for change beyond cuts in bonuses and salaries and dissolution of money-losing lines.

"They've got to show some drastic change," said Mr. Park, who has written 10 books on South Korea's economic problems. "Eventually they have to do that. They cannot resist. They should have done much more than they are doing now."

But the chaebol may not be getting the point. Instead they seem intent on employing the old paradigm of exporting their way out of trouble.

But South Koreans in the government and the chaebol seemed oblivious to the implication in Seoul's bailout agreement with the International Monetary Fund that the government should deemphasize exports if only because they often require massive infusions in factory investment.

Nor did they appear aware of a renewal of complaints that South Korea, after accepting the $60 billion bailout package, might arouse resentment from its trading partners for dumping low-priced goods into foreign markets, while importing very little into their own protected market.

Meanwhile, U.S. and European Union manufacturer associations, which were already embroiled in disputes with South Koreans before the financial crisis, are hinting that they expect to renew their offensive to open South Korean markets, possibly through the IMF, as exports keep rising.

One example of the kind of dispute the export push is likely to arouse is in the domestic motor vehicle market. Since the won's sudden descent in value, foreign car sales have plummeted. Mercedes Benz AG, Ford Motor Co. and Chrysler Corp. reported having sold 10 cars each here last month, while Bayerische Motoren Werke AG has sold no cars at all. South Korean automakers control nearly the entire market.

If there is one bright side to the daily precipitous decline of the won, as far as bureaucrats and business people are concerned, it is that the price of South Korean goods will fall sharply on world markets.

"Now it's about 1,700 to the dollar," Finance Minister Lim Chang Yuel said last week. "Can you imagine the impact of this exchange rate on our competitiveness?"

The Korea Trade Association predicted that exports for 1997 would reach $136.8 billion, up from $129.7 billion in 1996, and would soar to $144 billion in 1998.

A sign of the lack of foreign exchange or access to credit is that South Korea's trade deficit is steadily declining from 1996, when imports reached $150.2 billion, to 1997, with imports likely to be at $146.5 billion, to 1998, when imports are projected to be about the same as exports.

But South Korean officials say that the almost desperate desire to produce products at home and sell them abroad is not quite the same as it was in the 1960s and 1970s when President Park told the

See CHAEBOL, Page 13

CYBERSCAPE

Norwegian Browser Does Without Frills

By Barry James
International Herald Tribune

BRUSSELS — While the fat cats butt heads in the browser war, a little Norwegian mouse is nibbling at their turf.

No one at Opera Software AS of Oslo — which has only 11 full-time employees — pretends that the company will topple the mighty Microsoft Corp. or its rival for Internet supremacy, Netscape Communications Corp.

But the founders of Opera, Jon Stephenson von Tetzchner and Geir Ivarsoy, both former researchers at the Norwegian telephone company Telenor, said they had identified a market among people who want a fast and simple browser without the cutting-edge bells and whistles of the Internet giants.

They developed a program that fits on a single floppy disk, runs on virtually any PC including 386 PCs with only four megabytes of random-access memory — prehistoric in computer terms — and retrieves World Wide Web pages quickly, even with relatively slow modems. At about 1.2 megabytes it can be downloaded in a few minutes (*http://opera.nta.no*), and it installs in less than a minute.

In the experience of this technologically challenged reporter, Opera runs noticeably faster than either Netscape or Microsoft's Internet Explorer. The graphics-laden IHT home page, for example, pops up within seconds with a slow 14,400-baud modem. On an elderly laptop, Opera crashes occasionally, but no more than Netscape 3.

According to Mecklermedia Corp., the on-line publisher, Opera has an estimated 0.65 percent of the browser market, compared with 58 percent for Netscape and 32 percent for Internet Explorer.

With no budget for marketing, Opera relies on word of mouth and Internet serendipity to promote the program, and the company works to win the loyalty of its users. E-mail messages get a personal reply, and reported bugs are quickly fixed. The program is written in a number of languages, including both dialects of Norwegian and separate Spanish-language versions for Spain and Latin America. Judging from Opera's bulletin board, many customers have turned their backs on Netscape and Microsoft Explorer because they found their latest version 4 editions to be too cumbersome and too loaded with features they don't need.

Opera 3 is still in the Beta stage, with the definitive version expected to be released early next year, along with full Java capability. The program does not yet have a proper E-mail attachment, although it links easily with external mail applications such as Eudora. And it does not have its own dialer, which means it can be tricky to set up unless you know about things like Windsocks.

If Opera lacks some of the features of its bigger rivals, it can do some things that they can't. You can retrieve several Web pages simultaneously, reading one while others load in the background. Or you can clone a window so that you can have several simultaneous links to the same Web site. The hot list, where you save your favorite Web links, is organized like a directory tree — very handy for classifying work as you go. You can open up to 10 links and save them all simultaneously to the hot list.

The program loads instantly, and if you wish, it will automatically return to the way it was before being switched off. Screen text and pictures can be magnified, and all the functions are available through the keyboard.

Opera began as an internal network or intranet at Telenor before the two founders left to set up their own company in 1994. An early version of the program is used by the Norwegian unemployment agency to list job openings on terminals all over the country. The company also found a market among schools that wanted to get on line, but could not afford to replace their old computers.

Opera runs on all versions of Windows, but not yet on Macintosh operating systems. Unlike its bigger rivals, which give away their programs to build market share, Opera charges for its browser ($30), but allows a three-month trial period. It uninstalls completely, leaving no trace on the hard disk. Which is more than you can say about Internet Explorer.

Internet address: CyberScape@iht.com

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CURRENCY RATES

Dec. 12

Cross Rates

	$	£	DM	FF	Lira	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.9985	3.2895	1.127	0.3364	0.115*	—	5.4615*	1.3939	1.5256*	1.487	1.3325*
Brussels	36.42	60.67	20.625	6.1335	2.095*	18.3215	—	25.36	0.2805	25.69	24.495*
Frankfurt	1.7648	2.9048	—	0.2999	0.1027*	0.8874	4.8468*	1.2255	1.3597*	1.2398	1.1827*
London (c)	1.4522	—	2.9596	9.8120	3.3912	48.4706	2.3484	25.2592	2.2476	367.797	
Madrid	149.226	247.027	84.554	25.247	8.629*	75.8134	4.0993	104.63	114.866*	104.6875	—
Milan	Not Available										
New York (b)	—	1.6519*	1.7745	5.9405	1.748.00	2.0014	26.66	1.4265	130.25	1.4201	149.37
Paris	5.9147	9.8305	3.35	—	0.3457*	2.9728	154.34	4.148	4.5529*	4.1522	3.9415*
Tokyo	138.18	715.74	73.79	23.04	8.263	65.48	3.5781	95.43	—	97.39	0.8729
Toronto	1.4197	2.3462	0.8811	0.2382	0.0817*	0.7189	0.3854*	0.9716	1.027*	—	N.A.*
Zurich	1.4351	2.372	0.8892	0.2616	0.0825*	0.7177	3.9217*	—	1.3466*	1.0105	0.9566*
1 ECU	1.3175	0.4739	1.9756	6.115	1.934.82	2.234	40.7203	1.0959	145.28	1.0722	144.893
1 SDR	1.3566	0.8158	2.3943	8.0254	n.a.	2.6971	49.4543	1.3281	176.354	n.a.	202.39

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	278.51	Mex. peso	8.177	S. Afr. rand	4.89
Australian $	1.5099	Hong Kong $	7.749	N. Zealand $	1.6801	S. Kor. won	1715.0
Austrian sch.	12.447	Hung. forint	201.64	Norw. krone	7.2471	Swed. krona	7.7651
Brazil real	1.1147	Indian rupee	39.45	Phil. peso	37.20	Taiwan $	32.32
Chinese yuan	8.3096	Indo. rupiah	4580.0	Polish zloty	3.54	Thai baht	45.25
Czech koruna	34.96	Irish £	0.6833	Port. escudo	180.78	Turkish lira	198530
Danish krone	6.7513	Israeli shek.	3.5265	Russ ruble	5932.0	UAE dirham	3.671
Egypt. pound	3.4043	Kuw dinar	0.3024	Saudi riyal	3.75	Venez. bolív.	502.50
Fin. markka	5.3313	Malay. ring.	3.8072	Sing. $	1.4545		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6530	1.6507	1.6483	Japanese yen	129.48	128.76	128.21
Canadian dollar	1.4248	1.4233	1.4210	Swiss franc	1.4326	1.4321	1.4316
Deutsche mark	1.7681	1.7650	1.7622				

Sources: ING Bank (Amsterdam); Citi Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.



Laurent Rebours/The Associated Press
Prime Minister Tony Blair gesturing during a press conference at the EU summit meeting in Luxembourg.

Blair's EU 'Victory' Invisible to Others

By Barry James
International Herald Tribune

LUXEMBOURG — Prime Minister Tony Blair went away claiming victory in his demand for a voice in decision-making on the proposed European single currency, the euro, but the final conference document Sunday showed that he achieved virtually zero.

Many European journalists here asked why the British leader wasted so much goodwill on an issue he could not win.

NEWS ANALYSIS

A possible answer is the continuing gap in perception between Britain and the rest of Europe. The Labour Party talks more enthusiastically about playing a leading role in the heart of Europe than its predecessor, and British officials sometimes appear to think that this entitles them to special favors.

At the same time, they are mindful of an influential section of the British press that treats every foray into Europe as if it were St. George facing the dragon.

And if Mr. Blair comes across like Margaret Thatcher, that does not necessarily do him any harm at home.

For other leaders, the British have yet to prove their sincerity by deeds. Labour still is fence-sitting on the single currency, and will not consider joining during the five years of the current Parliament.

The other countries said this was not enough to give Britain a place on the informal council that they intend to set up to coordinate euro policies. It is called Euro-X because the exact number of "ins," or countries that will join the single currency next year, is not known.

Leaders of 11 possible "ins" were unanimous in telling Mr. Blair that countries sharing the same money had the right to meet privately. Mr. Blair had to concede this, so instead he demanded that decisions of common interest must be made by the finance ministers of all 15 European Union countries. Chancellor Helmut Kohl of Germany could not understand the fuss, since that requirement is already in the EU treaty.

The leaders agreed, however, to reaffirm the principle in the final document, and on this basis Mr. Blair proclaimed victory. That was all he got.

The other leaders said they would let the "outs," which also include Denmark, Sweden and Greece, have a look at the agenda for their informal get-togethers, but even this promise was omitted from the final text.

A British spokesman had some difficulty explaining how being rejected by a club Britain said it didn't want to join was a victory. One briefing became so incoherent that the spokesman might as well have given the rules of cricket.

"You have two sides, one out in the field and one in. Each man that's in the side that's in goes out, and when he's out he comes in and the next man goes in until he's out. When they are all out the side that's out comes in and the side that's been in goes out and tries to get those coming in out."

The French couldn't have wished for more had they planned it. They pushed for the Euro-X council as an "informal" political counterpart to the future central bank, and gained reluctant German assent in exchange for guaranteeing the bank's total independence. Thanks to the fuss the British made about the council, it has emerged as a serious political forum for the Euro countries, which one suspects is what the French wanted all along.

The pity about this squabble, many said, was that it cast a shadow over one of united Europe's milestones — the summit decision to admit 10 countries of Eastern and Central Europe and end the postwar division of the Continent.

It is a truism that the smallest countries often have the widest vision. Prime Minister Jean-Claude Juncker of Luxembourg worked valiantly and efficiently for the enlargement, which will be remembered long after Euro-X is forgotten. At a final news conference, he was interrupted by protesters of what they called the corporate takeover of Europe. Mr. Juncker visibly exhausted, muttered something about having heard enough shouting in the previous two days to be immune to any more.

CAPITAL MARKETS ON MONDAY

World Financiers Reassured as Korea Backs Off From Challenge to IMF

By Carl Gewirtz
International Herald Tribune

PARIS — Financial markets are breathing a little easier now that South Korean politicians have backed off their threat to challenge the International Monetary Fund over the conditions for its loan.

But in fact, analysts and economists say, Seoul had little choice but to comply. With the free market making South Korea's currency and debt a "sell" at almost any price, these observers say, loan guarantees and foreign capital are the only way the country can stave off default.

The promised $60 billion in IMF loans, the largest rescue package ever arranged by the fund, were not in evidence last week as Korea's financial crisis worsened and its currency shed another 28 percent in value.

"My guess," said John Lipsky at Chase Manhattan Bank in New York, "is that the lenders were concerned about sending a message that could have been read to mean that stabilizing the situation in Korea was more important to the rest of the world than it was to Korea."

On Saturday, the South Koreans sought to dispel such a notion as President Kim Young Sam and three candidates in Thursday's presidential election pledged they would honor the commitments given to secure the loans.

Last week's loss left the dollar trading at 1,702.5 won. Over the past month, the won has plunged 42 percent — knocking Korea down in the world rankings of most important economies from the 11th largest to 20th.

"As the dollar rises against the won, the problems get worse, implying further need for IMF money," Troy Bowler, regional fixed income analyst at Deutsche Morgan Grenfell Securities Ltd., told Bloomberg News.

The refusal of the United States and Japan to speed up disbursement of the combined $15 billion they had pledged to lend exacerbated the panic. So did the failed attempt by the country's leading borrower, Korea Development Bank, to raise $2 billion in the international capital market. KDB bonds, introduced 19 months ago at a spread of 74 basis points (nearly 3/4 percentage point) over comparably dated U.S. government paper, was quoted last week at a spread of 675 basis points.

The currency's downward spiral becomes self-perpetuating as private companies, which borrowed in foreign currency, need to sell ever more won to service their debt, and as local investors lose confidence and dump the won.

"Korea is in the second phase of crisis," observed John Llewellyn at Lehman Brothers in London. "Phase one is where genuine economic problems drive the market. Phase two is where the market drives the fundamentals, where the market decides it wants out at any price and the further decline of the currency worsens the financial condition of companies trying to service their debt."

The only way to arrest such irrational behavior — which Mr. Llewellyn compares to an old-fashioned run on a local bank — "is to provide a massive amount of foreign exchange so that everyone realizes the liquidity is there and can then afford to consider whether they really want to sell the won at such a low price."

While analysts assume that the promised liquidity has not been forthcoming because of apparent political reluctance within Korea about complying with the IMF conditions, the experts also warn that the situation is fraught with danger.

The most obvious channel of disturbance is via the banking system. An estimated 80 percent of the country's 110 billion foreign currency debt falls due within one year, of which some $15 billion is due this month unless banks voluntarily roll over these debts and extend the maturities. If the money is not available and the loans not rolled over, default looms.

The currency weakness is another channel.

"Korea is to Japan what Canada is to the United States," explained Brendan Brown at Tokyo-Mitsubishi International in London. "The decline of the won has serious implications for Japan, the world's second-largest economy, which is suffering its own problems."

And always present is the fear that China will be dragged into the turmoil, threatening new currency devaluations, including that of the Hong Kong dollar.

As potentially damaging, although much less clear, is the contagion effect if money is pulled back from other emerging markets. Such a flight to quality is already evident. The risk premiums on all emerging market debt have risen and the flight to quality has contributed greatly to driving down bond yields in New York and Frankfurt. The danger is that viable developing countries and perfectly well-managed financial institutions could get sucked into a crisis as well.

Further entwined in this dispute is who gets hurt in the Korean mess. The Group of Ten, the leading industrialized countries providing the finance, asserted after the bailout of private (mostly U.S.) investors in Mexico's 1994-95 financial crisis that "investors must bear the consequences of the decisions they make and should not expect the international community to rescue them when the next sovereign liquidity crisis comes."

The operative phrase is "sovereign liquidity crises." In Korea, the problem is not an overload of government indebtedness but rather financial market instability.

For Willem Buiter at Cambridge University, the "no bailout should apply even more strongly in a market crisis" because the government is not directly involved. Private investors have suffered from the dramatic declines in Korean stock prices and the currency value. "But these are the ordinary market risks investors take."

Asia's Pain Helps the Bond Market Rise

By Jonathan Fuerbringer
New York Times Service

NEW YORK — There is much debate over the impact of the Asian financial turmoil on the stock market. Some analysts are worried, others are not. But for bonds, there is no debate. The Asian turmoil is great for bonds.

This is not just because of the flight of foreign investors to the haven they see in U.S. government securities. More important, it is because of the drag that Asia is expected to have on inflation here, as slow Asian growth moderates U.S. growth and the strong dollar cuts the price level of goods imported from Asia.

"The reason that it is good for bonds is that the No. 1 enemy of bonds is inflation," said Robert Barbera, the chief economist at Hoenig & Co. "And it is impossible to stand up and tell an inflation story when one-third of the world is going to be cutting the dollar price of its products."

The power of the Asian impact — combined with an unexpected fall in prices at the producer level in November — pushed the yield on the 30-year bond to 5.93 percent Friday, down from 6.08 percent a week earlier, and its lowest level in more than four years.

What makes this decline potentially more important than the previous move below 6 percent is that many economists think that rates can hold at these lower levels, while the previous two dips below 6 percent, in late 1995 to early 1996 and in 1993, lasted only a matter of months.

The bond rally this year, which has brought long-term rates down from 7.17 percent in April, has also reduced mortgage rates to their lowest level since February 1996.

But while long rates have fallen, short-term interest rates have not come

U.S. CREDIT MARKETS

down nearly as much, which means that the prime rate, which sets lending rates for many consumers and small businesses, has not budged from 8.5 percent since March. The stubbornness of short-term rates has also limited any savings for large companies with loans tied to other benchmark short-term rates.

The assault Friday on 6 percent was bolstered by the Labor Department report that producer prices fell 0.2 percent and are now down to an annual rate of 1.2 percent through the first 11 months of the year. It is likely that the producer price index for finished goods will show its first decline for a year since 1986. Producer prices rose 2.6 percent last year.

Despite the good inflation news, many analysts are still marveling at the decline in interest rates. They say there are other economic signals out there flashing red, but they are being ignored, mostly because investors are convinced that the slower growth and lower inflation fallout from the Asian turmoil will turn those signals to green.

The economy is growing near a 4 percent annual rate and there are signs of wage pressures building with the unemployment rate at a 24-year low of 4.6 percent. All these factors would normally be worrying bond investors, said Robert DiClemente, the chief U.S. economist at Salomon Smith Barney. They probably would have forced Federal Reserve Board policymakers to raise short-term interest rates, either at its meeting in November or at its policy-making session Tuesday.

But no such move is expected. "The fact that interest rates are declining in the face of a strong economy tells me that people are putting a lot of weight on the shock that is taking place" in Asia, Mr. DiClemente said.

In assessing the impact of Asia, Mr. DiClemente said the value of the dollar against its trading partners has risen 7 percent since mid-October and 4 percent in the past 30 days. This means that the prices of imports have already fallen significantly, which cuts inflation.

He also said his 1998 forecast showed a decline in U.S. exports of about $80 billion, which cuts more than a full percentage point off his growth estimate.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 12. Prices supplied by Telekurs.

Rnk Name	Cpn	Maturity	Price	Yield
Australian Dollar				
207 Queensland Tsy	6½	06/14/05	100.6820	6.4600
Austrian Schilling				
159 Austria	5¾	04/11/07	102.1000	5.6300
214 Austria	5⅝	07/15/07	101.3000	5.5500
Belgian Franc				
155 Belgium Tbills	zero	03/05/98	98.5543	6.4500
238 Belgium	7¼	12/22/00	108.3500	7.1500
British Pound				
138 World Bank	6	03/01/00	99.7500	6.0200
169 Canary Wharf	7.23	10/22/27	102.8750	7.0200
192 Aire Valley FRN	7.544	11/04/39	99.6300	7.5700
211 EIB	7⅝	12/07/07	106.9141	7.1300
237 Aire Valley FRN	7.474	11/04/39	99.7500	7.4900
242 World Bank	4¼	09/10/02	99.5654	4.2700
Canadian Dollar				
107 Canada	7½	12/01/03	109.6700	6.8400
141 Canada	6	03/15/98	100.5100	5.9700
175 Canada	7¼	06/01/07	110.8500	6.5400
246 Canada	7½	06/01/03	107.9770	6.7100
Danish Krone				
10 Denmark	7	11/10/24	109.2400	6.4100
16 Denmark	7	11/15/07	108.9700	6.4200
27 Denmark	8	03/15/06	114.7800	6.9700
29 Denmark	6	12/10/99	102.4000	5.8600
40 Denmark	6	11/15/02	103.1500	5.8200
44 Denmark	9	11/15/00	110.7500	8.1300
52 Denmark	7	12/15/04	108.2000	6.4700
62 Denmark	8	11/15/01	110.0800	7.2700
64 Denmark	9	11/15/98	104.1500	8.6400
75 Denmark	8	05/15/03	112.3000	7.1200
84 Nykredit	7	10/01/29	99.0000	7.0700
98 Nykredit	6	10/01/26	95.2500	6.3000
149 Denmark	6	02/15/99	101.7600	5.9000
153 Unikredit	7	10/01/29	98.4000	7.1100
173 Denmark	4	02/15/00	98.8100	4.0500
176 Realkredit	7	10/01/29	98.2000	7.1300
187 Denmark	7	02/15/98	100.4800	6.9700
231 Real Kredit	6	10/01/26	95.2000	6.3000
249 Danske Kredit	7	10/01/29	98.8500	7.0800
Deutsche Mark				
1 Germany	6	07/04/07	104.6200	5.7400
2 Germany	6	01/04/07	104.5300	5.7400
3 Germany	8½	08/20/01	113.1250	7.7300
6 Germany	4	09/17/99	99.6100	4.0200
7 Germany	6½	07/04/27	107.8500	6.0300
8 Germany	8¼	09/20/01	111.6895	7.3900
9 Germany	8	01/21/02	111.5000	7.1700
11 Germany	6¼	04/26/06	106.2000	5.8900
12 Germany	4½	08/19/02	98.3200	4.5800
13 Germany	7¾	01/03/05	112.3500	6.5600
14 Germany	8	07/22/02	112.4200	7.1200
15 Treuhand	7⅛	12/02/02	110.0905	6.7000
17 Germany 94	6¼	01/04/24	104.7033	5.9700
18 Germany	4½	05/17/02	96.3911	4.6700
19 Germany	6	01/05/06	104.4900	5.7400
21 Bundesobligation	4½	02/22/02	98.7585	4.5600
22 Germany	6⅞	09/15/99	104.1000	6.4800
23 Federal Tsy	3¾	03/19/99	99.4405	3.7700
24 Germany	6⅞	05/12/05	109.6800	6.2700
25 Treuhand	7⅛	01/29/03	109.4233	6.5100
26 Treuhand	7¾	09/09/04	112.7933	6.6500
28 Germany	9	10/20/00	111.4533	8.0800
30 Germany	6½	10/14/05	107.6233	6.0400
34 Treuhand	7¼	10/01/02	111.4600	6.9500
35 Treuhand	6⅝	07/09/03	107.3900	6.1700
36 Germany	8½	02/20/01	111.0000	7.6600
37 Treuhand	6⅞	06/11/03	108.5533	6.3300
39 Germany	6	02/16/06	104.5100	5.7400
41 Germany	8⅞	12/20/00	111.6500	7.9500
42 Germany	5	08/20/01	100.7800	4.9600
47 Germany	3½	06/18/99	99.0100	3.5300
48 Germany	4¾	11/20/01	99.8567	4.7600
51 Germany	6	09/15/03	104.8080	5.7200
53 Germany	5¼	02/21/01	101.6195	5.1700
55 Germany	6½	07/15/03	106.8900	6.0800
57 Germany	6	06/20/16	103.1500	5.8200
59 Treuhand	6⅜	07/01/99	103.1400	6.1800
60 Germany	7¼	10/21/02	109.7125	6.6100
61 Germany	3½	09/18/98	99.6700	3.5100
63 Germany	9	01/22/01	112.2400	8.0200
65 Germany	6½	03/15/00	104.3200	6.2300
67 Germany SP	zero	07/04/27	17.0000	6.1700
68 Germany	5¾	08/22/00	103.0025	5.5800
69 Germany	5⅞	05/15/00	103.0900	5.7000
71 Germany	7⅛	12/20/02	109.3700	6.5100
73 Germany	5⅛	11/21/00	101.4600	5.0500
74 Treuhand	6¾	05/13/04	108.5000	6.2200
78 Treuhand	6½	04/23/03	106.7322	6.0900
79 Germany	5	05/21/01	100.9900	4.9500
81 Germany	6½	01/02/99	102.4600	6.3400
82 Treuhand	5	12/17/98	100.9400	4.9500
88 Germany	7½	11/11/04	112.9957	6.6400
89 Germany	7¼	01/20/00	105.6600	6.8600
90 Germany	6¾	07/15/04	108.7850	6.2000
91 Treuhand	6¼	07/29/99	103.1200	6.0600
93 Exim Bk Japan	5¾	12/10/07	101.2000	5.6800
96 Treuhand	6⅛	03/26/98	100.7541	6.0800
97 Treuhand	5	01/14/99	100.9550	4.9500
100 Germany	7	01/13/00	105.1200	6.6600
101 Treuhand	7	11/25/99	184.8975	6.6700
102 Saxonyanhall	4⅞	12/11/17	99.7598	4.8900
104 Germany	6⅛	05/20/99	102.6400	5.9700
105 Treuhand	6	11/12/03	104.5575	5.7400
106 Germany	8½	08/21/00	109.7200	7.7500
108 Treuhand	6⅛	06/25/98	101.1400	6.0600
109 Germany	7	12/22/97	100.0600	7.0000
110 Germany	6¾	04/22/03	107.9380	6.2500
111 Germany Tbills	zero	04/17/98	98.8220	3.4600
113 Germany	8¾	05/22/00	109.5600	7.9900
115 Germany	6⅞	12/02/98	102.6400	6.7000
117 Germany	3½	12/18/98	99.5100	3.5200
121 Germany	6⅜	12/21/98	102.3000	6.2300
126 Germany	8¾	05/21/01	111.3075	7.5200
129 Treuhand	5⅝	09/24/98	101.2600	5.5600
130 Germany	5⅜	02/22/99	101.4500	5.3000
131 Germany	6⅞	02/24/99	103.1200	6.6700
134 Treuhand	6¼	03/04/04	105.9450	5.9000
142 Germany	6	02/20/98	100.3800	5.9800
148 Germany	6⅜	05/20/98	101.0600	6.3100
157 Germany	7¾	02/21/00	106.8200	7.2600
174 Germany	5¼	02/25/98	100.2700	5.2400
179 Germany	6¼	02/20/98	100.4225	6.2200
196 Germany	5¾	05/28/99	102.1200	5.6300
197 Germany	8¾	07/20/00	110.0333	7.9500
205 Germany FRN	3.048	09/30/04	99.1500	3.0700
209 Germany	6⅝	01/20/98	100.2767	6.6100
223 Germany	7	09/20/99	104.5000	6.7000
226 Belgium	5¾	03/28/08	101.9217	5.6400
239 Germany SP	zero	01/04/07	61.9500	5.4200
241 Germany	5¾	08/20/98	101.2200	5.6800
Dutch Guilder				
43 Netherlands	6¼	07/15/98	101.2600	6.1700
46 Netherlands	5¾	02/15/07	103.3000	5.5700
76 Netherlands	9	01/15/01	112.1000	8.0300
85 Netherlands	8½	03/15/01	111.1000	7.6500
114 Netherlands	7½	04/15/10	118.3000	6.3400
116 Netherlands SP	zero	01/15/23	22.2500	6.1700
122 Netherlands	7½	01/15/23	122.1000	6.1400
124 Netherlands	6½	04/15/03	106.8500	6.0800
127 Netherlands	7¾	06/15/99	104.5000	7.1800
128 Netherlands	6	01/15/06	104.9500	5.7200
132 Netherlands	8½	02/15/02	112.3500	7.3400
137 Netherlands	6½	07/15/98	101.3500	6.4100
143 Netherlands	5¾	01/15/04	103.4500	5.5600
151 Netherlands	7	02/15/03	108.9500	6.4200
156 Netherlands	6¾	11/15/05	109.7000	6.1500
166 Netherlands	7¾	10/01/04	111.8000	6.4800
167 Netherlands	8¾	09/15/01	113.2500	7.7300
172 Netherlands	7¾	01/15/00	106.4000	7.2800
184 Netherlands	7¾	03/01/05	115.2000	6.7300
189 Netherlands	7	03/15/99	103.3000	6.7800
206 Netherlands	8¼	06/15/02	113.1000	7.2900
234 Netherlands	6¾	02/15/99	102.8000	6.5700
236 Netherlands	8½	06/01/06	121.7000	6.9800
ECU				
171 France OAT	5½	04/25/07	99.4000	5.5300
195 France OAT	6¾	04/25/02	106.3000	6.3500
198 France OAT	6	04/25/04	103.9500	5.7700
235 France BTAN	6	03/16/01	103.4100	5.8000
Finnish Markka				
185 Finland	7¼	04/18/06	111.2150	6.5200
French Franc				
80 France OAT	7¼	04/25/06	113.6900	6.3800
165 Cyberval FRN	3.448	07/06/02	97.0874	3.5500
190 France OAT	7½	04/25/05	114.2500	6.5600
199 France OAT SP	zero	04/25/23	21.5500	6.2300
203 France OAT	6	10/25/25	101.7800	5.9000
212 France OAT	7¾	10/25/05	116.4300	6.6600
219 FranceOAT	5½	10/25/07	101.3400	5.4300
Italian Lira				
180 Mediobanca	3½	01/02/01	105.2500	3.3300
202 Italy	7½	10/01/99	104.0100	7.2100
Japanese Yen				
194 Exim Bk Japan	2⅞	07/28/05	108.0000	2.6600
213 Mexico	5	08/17/98	101.1625	4.9400
230 Exim Bk Japan	4⅜	10/01/03	116.1250	3.7700
232 NTT	2½	07/25/07	103.0000	2.4300
245 CCCI	3	03/18/09	104.0924	2.8800
Spanish Peseta				
186 Spain	5¼	01/31/03	99.3210	5.2900
Swedish Krona				
87 Sweden	10¼	05/05/00	110.4737	9.2800
94 Sweden	8	08/15/07	114.5081	6.9900
158 Sweden	6	02/09/05	100.3770	5.9800
222 Sweden	9	04/20/09	123.2880	7.3000
227 Sweden	11	01/21/99	106.1540	10.3600
U.S. Dollar				
4 Brazil	4½	04/15/14	87.3080	5.1500
5 Vneshcnmbk fm	6.719	12/02/15	69.0000	9.7400
20 Brazil	10⅛	05/15/27	92.1833	10.9800
31 Argentina par L	5½	03/31/23	70.2500	7.8300
32 Argentina FRN	6 11/16	03/29/05	84.7968	7.8900
33 Brazil FRN	6 9/16	01/01/01	94.9375	7.1800
38 Brazil L FRN	6 11/16	04/15/06	80.5563	8.3000
45 Argentina	9¾	09/19/27	93.7647	10.4000
49 Mexico	11½	05/15/26	113.9358	10.0900
50 Russia	10	06/26/07	100.4111	9.9600
54 Argentina	11¾	01/30/17	102.4583	11.1000
56 Depfa FRN	5.716	01/22/99	99.9580	5.7200
58 Venezuela	9¼	09/15/27	84.2240	10.9800
66 Brazil par ZI	5¼	04/15/24	66.8750	7.8500
70 Bulgaria FRN	6 11/16	07/28/11	72.5000	9.2200
72 Brazil S.L FRN	6¾	04/15/12	74.4400	9.0700
77 Venezuela FRN	6¾	12/18/07	87.4400	7.7200
83 Italy	6⅞	09/27/23	102.9037	6.6800
86 Mexico	6¼	12/31/19	80.5000	7.7600
92 Venezuela par A	6¾	03/31/20	83.0000	8.1300
95 Mexico FRN	6¼	12/31/19	80.5000	7.7600
99 ICI FRN	6	03/05/99	99.8900	6.0100
103 Mexico	9⅞	01/15/07	101.7942	9.7000
112 Poland FRN	6 11/16	10/27/24	96.2500	6.9500
118 Brazil S.ZI FRN	6 11/16	04/15/24	76.7500	8.7100
119 Brazil S.L FRN	6¾	04/15/12	76.2441	8.8500
120 IBJ Fin	6.656	01/05/98	98.5151	6.7600
123 Brazil S.L FRN	6¾	04/15/09	75.2500	8.9700
125 BGB Fin Ireland	6¼	03/19/01	100.1250	6.2400
133 Bulgaria FRN	6 11/16	07/28/24	73.3210	9.1200
135 Mexico	11¾	09/15/16	110.7500	10.2700
136 Bulgaria	2¼	07/28/12	60.1250	3.7400
139 Quebec	5⅛	08/27/98	98.3195	5.2100
140 FEK	6½	02/06/02	99.6831	6.5200
144 Russia	9¼	11/27/01	93.1451	9.9300
145 ADB	6¼	10/28/02	100.3750	6.2300
146 Ecuador FRN	3¼	02/28/15	63.5239	5.1200
147 Denmark	5.90	04/20/00	99.4300	5.9300
150 SEK	6⅛	10/02/00	100.0000	6.1300
152 Goldman S FRN	6.288	12/10/02	99.3800	6.3300
154 Ontario	5⅛	08/27/98	98.3344	5.2100
160 Korea Devt Bk	7¼	05/15/06	87.8605	8.2500
161 Sweden	6⅛	12/03/02	100.3750	6.1000
162 Brazil Cbond S.L	4½	04/15/14	87.6149	5.1400
163 Argentina FRN	5 11/16	04/01/01	102.9496	5.5200
164 Argentina FRN	6⅞	03/31/23	82.2500	8.3600
168 Argentina FRN	5.688	09/01/02	113.0000	5.0300
170 Argentina	11	10/09/06	103.3750	10.6400
177 Argentina	8¾	05/09/02	95.2000	9.1900
178 Peru Pdi	4	03/07/17	62.7500	6.3700
181 Ecuador FRN	6 11/16	02/28/25	74.1900	9.0100
182 Mexico D FRN	6¾	12/28/19	91.8113	7.3500
183 Brazil	6	09/15/13	81.0000	7.4100
188 Venezuela FRN	6¾	03/18/07	89.8125	7.5200
191 Poland par	3	10/27/24	60.2500	4.9800
193 Credit Local	6½	02/18/04	101.1947	6.4200
200 Canada	6½	05/30/00	101.5494	6.4000
201 Energie Beheer	6¼	11/04/02	100.5000	6.2200
204 Argentina	8⅜	12/20/03	92.4147	9.0600
208 Mexico A FRN	6.693	12/31/19	91.5000	7.3100
210 NAB FRN	6.275	01/21/08	100.0000	6.2700
215 World Bank	7⅝	01/19/23	115.7500	6.5900
216 Mexico B FRN	6.617	12/31/19	92.0469	7.1900
217 Canada	6⅛	07/15/02	100.5000	6.0900
218 Brazil L FRN	6 11/16	04/15/06	82.9785	8.0600
220 Panama FRN	4	07/17/16	80.5000	4.9700
221 SEK	5⅛	08/26/98	98.5604	5.2000
224 Brazil S.L FRN	6¾	04/15/09	83.4194	8.0900
225 Argentina FRN	6 11/16	03/29/05	83.5913	8.0000
228 Mexico FRN	6.977	06/27/02	98.0000	7.1200
229 Brazil	8⅞	11/05/01	95.6681	9.2800
233 Poland Inter	4	10/27/14	84.6250	4.7300
240 Panama	8⅞	09/30/27	94.5835	9.3800
243 Ontario	6⅛	06/28/00	100.8242	6.0700
244 Ecuador par	3½	02/28/25	52.3750	6.6800
247 Bayerische LB	6⅝	06/25/07	103.1250	6.4200
248 Brazil L	4½	04/15/09	71.0833	6.3300
250 Credit Local	6½	07/16/01	100.8750	6.4400

The Week Ahead: World Economic Calendar, Dec. 15-19

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Shenzhen, China:** IDT International Ltd. holds conference. Monday to Tuesday. **Tokyo:** Japan and the United States hold aviation talks. Monday to Thursday.	**Madrid:** Bank of Spain is expected to release November money supply figures. **Earnings expected:** MFI Furniture Group PLC, Wolford AG.	**New York:** Council of the Americas holds conference on the telecommunications industry in Latin America. Keynote address by GTE Corp.'s senior vice president for international business development, Ignacio Santillana. Wednesday and Thursday.
Monday Dec. 15	**Bangkok:** Bank of Thailand releases the country's most recent foreign reserve figures. **Tokyo:** Bank of Japan releases quarterly survey of business sentiment. **Annual meetings:** China Light & Power, Infratil Australia.	**Helsinki:** November consumer price index. **London:** Hans Tietmeyer, president of the Bundesbank speaks at the German/British forum. **Madrid:** October retail sales figures. **Oslo:** November trade balance.	**Ottawa:** November existing home sales figures. **Washington:** Federal Reserve releases industrial production and factory-use data for November; Agriculture Department releases weekly report on planting progress.
Tuesday Dec. 16	**Tokyo:** Bank of Japan releases figures on money supply in November; October industrial production; business trends for regional economies in December; November sales figures for Tokyo-area department stores.	**Munich:** Ifo economic research institute to publish survey of the November business climate. **Rome:** October producer and wholesale prices. **Wiesbaden, Germany:** November wholesale prices.	**New York:** LJR Redbook Research's report on U.S. retail sales. **Washington:** November consumer price index; November housing starts. Federal Open Market Committee meets to set interest rate policy.
Wednesday Dec. 17	**Tokyo:** Bank of Japan releases wholesale price index for early December; Daiwa Institute of Research Ltd. releases forecasts for the Japanese economy in fiscal 1998. **Wellington:** October retail sales.	**Frankfurt:** Bundesbank to publish December monthly report. **London:** Provisional data on labor. **Madrid:** Airtel SA holds a meeting to sell up to 30 percent of the company; third-quarter gross domestic product.	**Arlington, Virginia:** American Gas Association releases weekly U.S. natural gas inventory report. **Buenos Aires:** Latin American Economic Research Foundation releases preliminary estimate of Argentine industrial production in November.
Thursday Dec. 18	**Tokyo:** November merchandise trade balance. **Wellington:** Final figures for housing permits in October. **Annual meetings:** Westpac Banking, National Australia Bank, City Telecom (Hong Kong), Kai Peng.	**Frankfurt:** Bundesbank's policy council meets to set interest rates; November M-3 money supply growth to be released. **Oslo:** December jobless figures. **Voorburg, Netherlands:** Expected 1998 industrial investment figure.	**Philadelphia:** Federal Reserve Bank releases monthly survey of area manufacturers for December. **Washington:** October trade balance in goods and services; initial weekly state unemployment compensation insurance claims.
Friday Dec. 19	**Wellington:** Labor costs for the July-September quarter; preliminary figures for housing permits in November. **Annual meetings:** Baltrans Holdings Ltd., Safeguard Corp., Texas Instruments-Acer Inc.	**Rome:** Quarterly unemployment figures. **Voorburg, Netherlands:** December consumer confidence figures. **Wiesbaden, Germany:** October trade figures.	**Mexico City:** October's export-assembly industry output. **Washington:** Treasury Department releases November budget statement; Federal Reserve System releases report on commercial and industrial loans at U.S. banks.

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Aames Mortgage Trust	$600	—	—	—	—	Issue split into 11 tranches, due 2012 to 2029 and paying 5.675 to 7.64%. Average life 0.9 to 9.99 years. Fees 0.10 to 0.50%. Payable in Jan. (Lehman Brothers Intl.)
Crestar Student Loan Trust	$130	2007	0.16	100.00	—	Over 1-month Libor. Average life 1.98 years. Also $84 million, due 2017 and paying 0.22 over Libor, and $8.9 million, due 2017 and paying 0.45 over Libor. Fees not disclosed. Payable in Jan. (Salomon Smith Barney.)
Hong Kong Mortgage Funding	$234	2024	0.35	100.00	—	Interest will be 0.35 over 1-month Libor until 2003, thereafter 0.75 over. Average life 2.9 years. Also $26 million due 2004, paying 0.90 over Libor. Fees 0.30%. Denominations $10,000. (UBS.)
Westpac Banking	$300	2003	libor	99.784	—	Interest will be the 3-month Libor. Noncallable. Fees 0.15%. Denominations $100,000. Payable in Jan. (HSBC Markets.)
Groupe Andre	FF900	2002	1½	100.00	—	Over 3-month Pibor. Noncallable. Fees 2%. Denominations 100,000 francs. (Credit Lyonnais.)
Rheinische Hypothekenbank	FF1,000	2009	0.70	101¾	—	Below TEC-10 index. Reoffered at 100.10. Noncallable. Also 300 million francs due 2008 and paying 5.70%. Fees 2%. Denominations 100,000 francs. (Caisse des Depots et Consignations.)
Fixed-Coupons						
CE Electric U.K. Funding	$125	2004	6.853	100.00	—	Semiannually. Noncallable. Fees 0.625%. (Credit Suisse First Boston.)
CE Electric U.K. Funding	$237	2007	6.995	100.00	—	Semiannually. Noncallable. Fees 0.65%. (Credit Suisse First Boston.)
GE Capital Canada Retailer Financial Services	$420	2002	6⅛	101.285	100.51	Reoffered at 99.46. Noncallable. Fees 1⅞%. (Goldman Sachs Intl.)
Israel Electric Corp.	$125	2007	7.10	99.90	—	Noncallable. Fees 0.65%. (Lehman Brothers Intl.)
Israel Electric Corp.	$300	2027	7¾	99.826	—	Noncallable. Fees 0.875%. (Lehman Brothers Intl.)
Sweden	$500	2008	6⅛	100.615	99.86	Reoffered at 99.265. Noncallable. Fees 2%. Payable in Jan. (Salomon Brothers Intl.)
World Bank	$750	2007	6⅛	99.496	100.40	Noncallable. Fees 0.325%. (Goldman Sachs Intl.)
Air Canada	DM200	2005	6⅝	102.10	100.15	Reoffered at 99.85. Noncallable. Fees 2¼%. Payable in Jan. (Bayerische Landesbank.)
European Investment Bank	£150	2004	6	95.887	96.65	Noncallable. Fees 0.30%. (ABN—AMRO Hoare Govett.)
LB Schleswig-Holstein	£100	2000	7¼	100.80	99.90	Reoffered at 99.80. Noncallable. Fees 1⅛%. Payable in Jan. (Hambros Bank.)
Abbey National Treasury Services	ITL200,000	2010	13	100¾	—	Interest will be 13% in first year, 7½% until 2001, thereafter 15½% less twice the 12-month Libor. Reoffered at 99¼. Noncallable. Fees 2%. Payable in Jan. (Credit Suisse First Boston.)
European Investment Bank	ITL200,000	2010	12.10	101.30	—	Interest will be 12.10% in first year, 7% until 2000, thereafter 15% less twice the 12-month Libor. Reoffered at 99.80. Noncallable. Fees 1⅞%. Payable in Jan. (Sanwa Intl.)
World Bank	ITL150,000	2010	12	101.275	—	Interest will be 12% in first year, 7% until 2001, thereafter 15% less twice the 12-month Libor. Reoffered at 99.95. Noncallable. Fungible with outstanding issue, raising total amount to 600 billion lire. Fees not disclosed. Payable in Jan. (Banca Commerciale Italiana.)
Nederland Waterschapsbank	DF500	2008	5½	101.135	100.08	Reoffered at 99.46. Noncallable. Fees 2%. (ING Barings.)
Rabobank Nederland	DF500	2010	5⅝	101.05	100.36	Reoffered at 99.35. Noncallable. Fees 2%. Payable in Jan. (Rabobank Intl.)
DSL Finance	ECU100	2002	5⅛	101.70	—	Reoffered at 100.075. Noncallable. Fees 1⅞%. Payable in Jan. (Banque Paribas.)
World Bank	SAR1,000	2028	zero	2.94	2.75	Yield 12%. Noncallable. Fungible with outstanding issue, raising total face amount to 3 billion rand. Fees 0.25%. (Hambros Bank.)
European Investment Bank	Y25,000	2000	5	100.00	—	Semiannually. Redemption at maturity will be in dollars. Noncallable private placement. Fees 1⅛%. (Daiwa Europe.)
Swedish Export Credit	Y40,000	1999	5.80	99.95	—	Redemption at maturity will be in dollars. Noncallable private placement. Fees 1½%. (Nomura.)
European Investment Bank	HK$1,000	2001	10	100.00	—	Quarterly. Noncallable. Fees 0.225%. Denominations HK$500,000. Payable in Jan. (HSBC Markets.)
Equity-Linked						
Cregem Finance	$150	2004	2¾	100.00	—	Callable at par from 2001. Convertible into ING Group shares at 109.86 guilders per share, a 27% premium, and at 2.0125 guilders per dollar. Fees not disclosed. Payable in Jan. (Morgan Stanley Intl.)

Last Week's Markets

Stock Indexes

	Dec. 12	Dec. 5	% Ch'ge
United States			
DJ Indus.	7838.30	8,149.13	—3.81
DJ Util.	261.27	258.89	+0.92
DJ Trans.	686.41	3,315.94	—2.32
S&P 100	454.48	473.53	—4.02
S&P 500	952.90	983.79	—3.14
S&P Ind	1,100.98	1,140.07	—3.43
NYSE Cp	499.78	514.31	—2.83
Nasdaq Cp	1,536.65	1,633.90	—5.95
Japan			
Nikkei 225	15,904.30	16,424.48	—3.17
Britain			
FTSE 100	5,045.20	5,176.00	—2.53
Canada			
TSE Indus.	6,631.00	6,723.20	—1.37
France			
CAC 40	2,830.26	2,910.09	—2.74
Germany			
DAX	4,082.60	4,170.08	—2.10
Hong Kong			
Hang Seng	10,614.66	11,527.60	—7.92
World			
MSCIP	923.81	843.28	—2.06

World index from Morgan Stanley Capital Intl Perspective.

Money Rates

	Dec. 12	Dec. 5
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds rate	5½	5½
Japan		
Discount	0.50	0.50
Call money	0.37	0.41
3-month interbank	0.92	0.95
Britain		
Bank base rate	7¼	7¼
Call money	7¼	7¾
3-month interbank	7¾	7 11/16
France		
Intervention rate	3.30	3.30
Call money	3⅜	3⅜
3-month interbank	3⅝	3⅝
Germany		
Lombard	4.50	4.50
Call money	3.76	3.44
3-month interbank	3.77	3.75

Gold	Dec. 12	Dec. 5	% Ch'ge
London p.m. fix $	283.00	287.40	-1.53

Euromarts

Eurobond Yields

	Dec. 12	Dec. 5	Yr high	Yr low
U.S. $, long term	6.18	6.22	7.09	6.18
U.S. $, mdm term	6.13	6.14	6.84	6.09
U.S. $, short term	6.06	6.06	6.51	5.95
Pounds sterling	7.06	7.18	7.75	6.90
French francs	5.03	5.09	5.34	4.66
Italian lire	5.55	5.58	7.79	5.55
Danish kroner	5.58	5.52	5.93	5.26
Swedish kronor	5.52	5.80	5.80	4.82
ECUs, long term	5.71	5.83	6.42	5.71
ECUs, mdm term	5.36	5.35	5.59	4.76
Can. $	5.84	5.66	6.51	5.36
Aus. $	6.29	6.28	7.86	5.89
N.Z. $	7.68	7.58	8.39	6.96
Yen	1.28	1.24	2.15	1.24

Source: Luxembourg stock exchange.

Weekly Sales

Dec. 11

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Primary Market				
Straights	65.0	97.1	15.5	364.4
Convert.	15.0	489.7	—	263.1
FRNs	328.5	2,219.2	445.9	31.3
ECP	9,040.5	8,201.5	21,658.3	8,569.9
Total	9,449.0	11,007.5	22,119.7	9,228.7
Secondary Market				
Straights	19,971.0	20,005.0	83,637.5	33,023.5
Convert.	1,332.7	1,233.2	3,030.9	2,713.8
FRNs	18,182.6	6,683.5	62,724.0	9,184.9
ECP	13,581.2	11,960.5	36,940.7	29,701.7
Total	53,067.5	39,882.2	186,333.1	74,623.9

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅝	5 13/16	5 13/16
Deutsche mark	3¾	3⅞	3 15/16
Pound sterling	7 9/16	7 11/16	7 13/16
French franc	3 13/16	3 11/16	3⅞
ECU	4⅛	4½	4 9/16
Yen	1 1/16	1	1

Sources: Lloyds Bank, Reuters.

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ASIA: *Uncertainty About How It Will End*

Continued from Page 11

their money from emerging markets.

"All these green-eyeshade calculations that say we'll lose half a point off economic growth — those are going to miss the mark by a mile," said C. Fred Bergsten, director of the Institute for International Economics. "If Korea defaults and if the Japanese bank crisis worsens, the effect on our economy could be widespread."

How widespread? Nobody knows. But Mr. Bergsten and other economists do not expect the Asian situation to degenerate into a 1930s-style global depression, despite some outward similarities.

One such similarity is the steady drop in prices for many goods around the world — deflation — which can be even more dangerous and difficult to stop than inflation, its more familiar opposite.

In a deflationary economy, businesses with loans to repay are often driven into bankruptcy while investors find they can get a better return on their money by putting it in a bank (or in a mattress) than investing it in ongoing businesses. Falling prices, falling incomes, falling asset values and falling employment all feed on each other in a vicious cycle.

Because of excess production capacity around the world, prices are falling for such key components as computer chips, steel, food and energy as well as finished goods ranging from low-end clothing to high-end computers. The Asian crisis is likely to make the problem worse.

While business executives fret about this collapse of pricing power, economists say it is unlikely to result in the kind of dangerous deflationary cycle that led to the Depression. They note that there are still as many prices going up as there are going down — particularly the price of labor in the industrialized world.

But perhaps most significantly, economists say that even the deflation of the 1930s would not have led to a worldwide depression had the central banks of the world not made a bad situation worse by contracting the supply of money in circulation. "For a global depression to occur would require there to be a series of major policy mistakes by the Federal Reserve and other central banks," said Allan Meltzer, an economist at Carnegie Mellon University who is writing a history of the Great Depression.

The current members of the Fed know better, he said, and in a pinch could flood the economy with enough freshly printed dollars to stop any deflationary cycle.

But Mr. Meltzer and a number of other economists and government officials fear that Japan is not taking sufficiently aggressive steps to halt deflation. Economists contend that the Japanese government should cut taxes while injecting massive funds into ailing banks in an effort to induce them to resume lending.

"The Japanese are still in denial," said Rudiger Dornbusch, an international economist at the Massachusetts Institute of Technology. "And if Japan can't solve its problems quickly, I think you are looking at a further drop in the Japanese stock market, another round of depreciations."

If that happens, Mr. Dornbusch said, the result will be a "lasting, deep recession throughout Asia."

"We shouldn't kid ourselves about how this plays out in the United States," he said. "It could take some time, but the impacts could be very, very large."



Mike Fiala/The Associated Press

Prime Minister Ryutaro Hashimoto of Japan passing through security clearance Sunday as he arrived in Malaysia for the ASEAN conference.

ASEAN: *IMF Rescue Plans Continue to Draw Asians' Complaints*

Continued from Page 11

neighbors without the United States or European Union countries present.

Chinese officials have played up the importance of the meeting, with the assistant foreign minister, Chen Jian, saying that it would have a far-reaching impact on East Asian development in the next century.

Beijing sweetened the event for ASEAN by hinting that territorial disputes it has with several of the group's members could be resolved on a multilateral level, which would allow the members to wield more clout.

But Western diplomats based in Kuala Lumpur privately questioned the economic underpinnings of closer relations between China and ASEAN.

Trade flows between the two are relatively small compared with China's and ASEAN's respective trade with the United States and Europe.

Indeed, with many Southeast Asian countries now able to export goods 40 percent cheaper because of their devalued currencies, analysts point out that China may well see ASEAN countries more as competitors than allies.

A possible dissenting voice at the summit meeting could be Japan. Diplomats are watching for signs of Japanese participation in regional aid packages.

Prime Minister Ryutaro Hashimoto said Sunday that any assistance would be within an international framework in conjunction with the IMF.

But several Southeast Asian leaders have expressed skepticism about Japan's willingness and ability to take on a leadership role during the crisis.

Talk of Bank Merger Hits Wall of Swiss Opposition

Critics Assail Job Cuts in UBS and SBC Link-Up

Reuters

ZURICH — Two Swiss banks are running into a wall of popular opposition to their plan to merge into the world's second-largest bank at the cost of 13,000 jobs — 7,000 of them in Switzerland.

The intended combination of Union Bank of Switzerland and Swiss Bank Corp., announced last Monday, has triggered a nationwide sense of angst that big business is running wild over the interests of citizens.

Bankers have defended the plan as a necessary step to build a global powerhouse able to survive and prosper amid ferocious international competition. But critics say it reflects sheer greed and the shirking of companies' obligations to workers.

"People are already speaking of the 20-80 society," the daily Berner Zeitung said in a weekend commentary on the merger. "Twenty percent of the people are doing well, the rest are doing worse and worse.

"The only thing that will counter this development is a departure from destructive Anglo-Saxon turbo-capitalism, which has become increasingly fashionable in recent years, and thus a return to the primacy of politics over business."

It printed a cartoon showing a fierce piggy bank labeled UBS driving smaller panic-stricken pigs and people through a desolate landscape.

A Sonntagszeitung cartoon showed a shocked couple watching an overinflated and laughing Mathis Cabiallavetta, set to be chairman of the merged United Bank of Switzerland, bounding past their window as their furniture tipped over.

Two members of Parliament called for a national jobs summit to help reassure Swiss citizens that business's drive to become more efficient and profitable would not leave workers in the cold.

Mr. Cabiallavetta and Marcel Ospel, the SBC chief executive who will have the same job with the new megabank, also faced grilling by representatives of bank workers, labor unions and leftist parties on a television show called "Arena."

"This shows how powerless the political process is," Alexander Tschaeppat, a member of Parliament, said of the merger. "Two bankers stand here and speak of money and profits, but they are forgetting that this is about people."

He and others were especially upset that two relatively strong and healthy banks would decide not only to phase out thousands of jobs through attrition, but also to dismiss as many as 1,800 bankers.

Mr. Cabiallavetta, however, said on Swiss radio that if the banks did not merge, he was "not so sure that UBS or SBC would exist in their present form in five years time." He stressed that Swiss banks had to bolster profits to survive in a dog-eat-dog world.

Bankers said that financial institutions needed such action to ensure that they would not be taken over by another bank, with the possible loss of thousands of other Swiss jobs.

"Today's earnings are far too low in relation to costs for both banks," Mr. Ospel of SBC told the SonntagsBlick weekly newspaper. "If we do not do something about it, in five years we will be where some industrial companies were about five years ago. This is out of the question for us."

He said that officials would avoid layoffs if at all possible but that he was not sure it could be done.

Bankers wondering if they would still have a job after the merger have resorted to black humor. They joke that the banks have come to be known as UBS — You've Been Sacked — and SBC — Sacked Before Christmas.

IMPACT: *In a Suburb of Seoul, All Is Gloom*

Continued from Page 11

happy," she said. "We don't expect any future in our business."

A stroll along the wide streets beside the park reveals shopping centers and office towers dominated by Samsung Plaza, an architectural wonder of atriums and glass and marble arches, all providing the setting for stores bearing fashion brands from around the world.

Samsung Plaza was opened just a month ago on a day of speechmaking, ribbon-cutting and firecracker explosions. Clerks in neat uniforms smile from behind the counters, but almost no one is buying.

"Our country is now under the IMF system," said Youn Seok Shin, a part-time service assistant, standing at a counter where Christmas gift certificates are on sale. The certificates lie in neat stacks under glass, beside boxes in which clerks will gladly gift-wrap them in ribbons and bows.

'People don't have money. A lot are just window-shopping.'

The trouble is, the numbers on the certificates are fast losing allure to customers who either do not have the money to buy them or view them as bad investments that are quickly depreciating in real value.

"It's all because of the IMF," said Choi Yeun Hee, who works for Samsung Plaza as an advertising designer. "People don't have money. A lot of people are just window-shopping."

Mrs. Choi's husband works as an engineer for Samsung Electronics, a major company in the group that owns Samsung Plaza. The couple moved recently into a two-bedroom apartment that is located just a few minutes from Samsung Plaza, from which a new extension of one of Seoul's subway lines shoots thousands of commuters into the city center every day.

"Many young people are living here," Mrs. Choi said. "It is a place for the young" — as evidenced by mothers with babies and children playing in the nearby park as well as a brightly lit district of bars and restaurants a few blocks away.

"We all have the same problem. The economy is going down, down, down," she said. "People are stocking up on sugar and flour before prices go up."

She does not know exactly why, but she has a suspicion: "Maybe the IMF and our president did not do a good job."

Not everyone, of course, suffers equally. The fast depreciation of the won is hardly bad news to the few foreigners who have settled out here for the commute into Seoul and who are paid in dollars.

"It's a great time to be shopping," says Edwin Stikeleather, a retired U.S. Army officer who is now working as a consultant for an American company in Seoul. "It's as if everything is half price. Everything's a bargain."

Mr. Stikeleather's wife, Kim Chung Cha, finds "the whole atmosphere depressing" despite the prices.

"You see small businesses losing every day," she says. "Land prices and real estate were so high when the city was building up around the time of the Seoul Olympics in 1988. It was real quiet. Everybody started moving here."

The couple, with two daughters in school in Seoul, are bracing themselves, like everyone else, for the day when prices shoot up.

"What we haven't noticed yet is significant inflationary pressure," Mr. Stikeleather said. "Sometime everything will increase. This place is already an expensive neighborhood."

The tension mounts every time the stock market and currency decline and another big company goes bankrupt. "People just sit back and try to make up their minds," Miss Kim said. "They try not to buy foreign goods."

Meanwhile, long lines form in a supermarket at Samsung Plaza. "People are buying whatever they think they'll need before prices go up," a clerk said. "Nobody knows whether they can buy anything a month from now."

CHAEBOL: *Korean Industry Banks on Exports*

Continued from Page 11

chaebol what to manufacture and ordered the banks to supply the funds.

Nowadays, Mr. Lim said, when asked about government export policies, "We will have some export activities like other countries but not direct intervention."

While the chaebol are universally geared toward increasing exports, bureaucrats denied any intention of violating the rules of the World Trade Organization or the Organization for Economic Cooperation and Development banning subsidies and government loans.

For chaebols, exporting is 'one way to get some hard cash.'

"We have no export drive policy like in the 1960s," said Park Chen Ho, deputy research director at the Federation of Korean Industries, an organization of the chairmen and presidents of the 30 largest chaebol.

"'Export drive' is not the relevant term in this situation. Exports of South Korea cannot be increased by policy, or drive of the government."

Those words reflected the pride of the government in South Korea's membership in the WTO and OECD — rich countries' clubs that South Korea has proudly joined as proof of its coming-of-age as an industrial power.

"The direct support system is not acceptable to WTO and the OECD," said Kim Chang Ro. "We emphasize the promotion of the export environment by exhibitions — and also by the export insurance system that is accepted by every country."

The strategies for reviving the fortunes of the country's chaebol, while emphasizing reductions in new investment and cuts in bonuses and salaries, South Korean manufacturers just as eagerly talk up their hopes and plans for increasing exports.

Daewoo Motor Co., for instance, plans to enter the American car market this year as part of an overall Daewoo Group plan to increase exports to $17 billion next year from $15 billion this year.

"It is part of our globalization strategy," said Lee Jeong Seung, a Daewoo executive.

Mr. Lee cited three reasons why he thought South Korea faced economic difficulties: "short-term foreign exchange, noncompetitiveness, and the trade deficit." For all those reasons, he said, "We have to export more."

Daewoo buttressed its export hopes Dec. 8 by buying a controlling interest in Ssangyong Motor Co. after agreeing to take on $2 billion of the company's crippling debt.

While Ssangyong's venture into motor vehicles epitomized the overinvestment of some of the chaebol, Daewoo's move dramatized the determination of chaebol to move ahead against all odds.

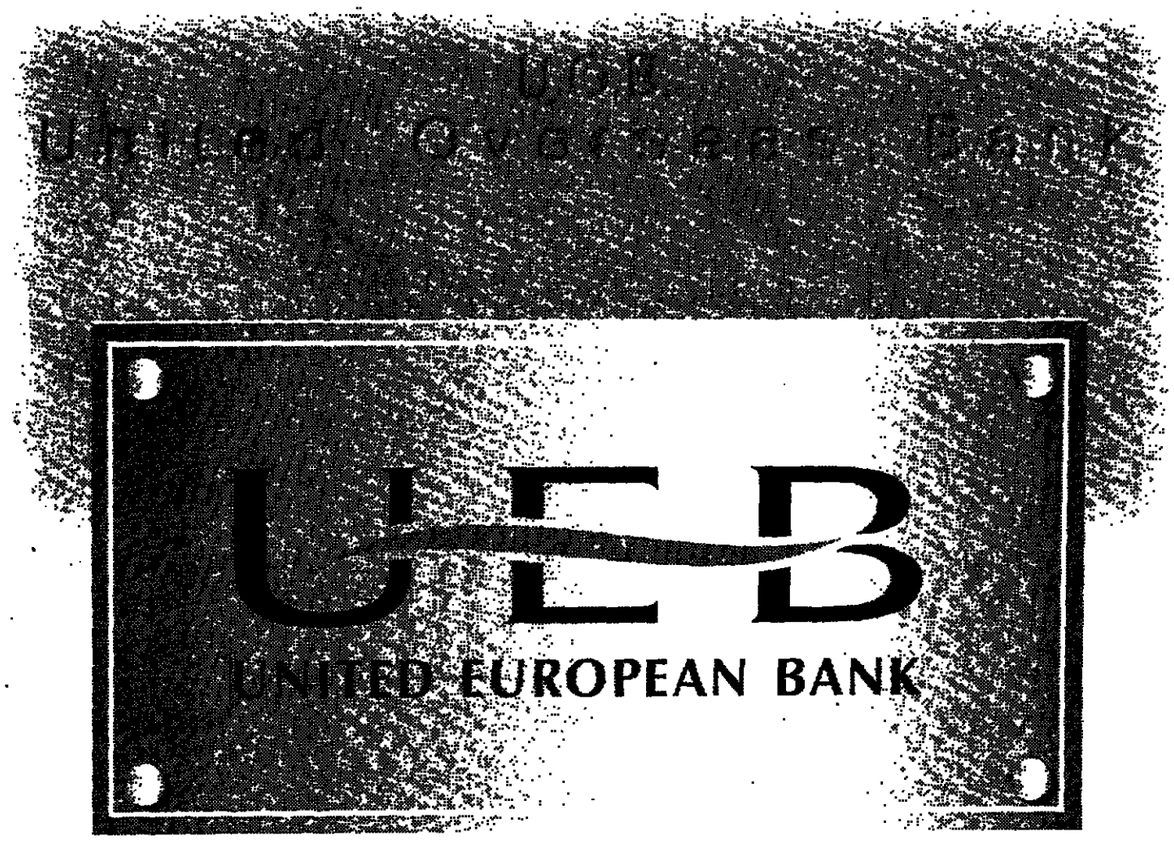
"The economic situation affects all Korean companies, but export is all-important for Korea," said Moon Ki Hwan, a spokesman for Daewoo Corp., the trading arm of the group.

He said Daewoo, besides promoting motor vehicles, a top priority for Daewoo Chairman Kim Woo Choong, also planned to increase exports of home appliances, television sets and videocassette recorders and microwave ovens.

"The total atmosphere in exports is very important," Mr. Moon said. "We have to compete."

One reason for the rush to export, he said, is that domestic sales are sluggish if not very low in the midst of recession. "The domestic portion is a very small portion of our business," he said. "About half our cars are for export."

Park Hong Kyu, a manager with Hyundai Corp., said: "We'll do our utmost to increase our exports. Exports might be the best way to get over our ongoing credit crunch."



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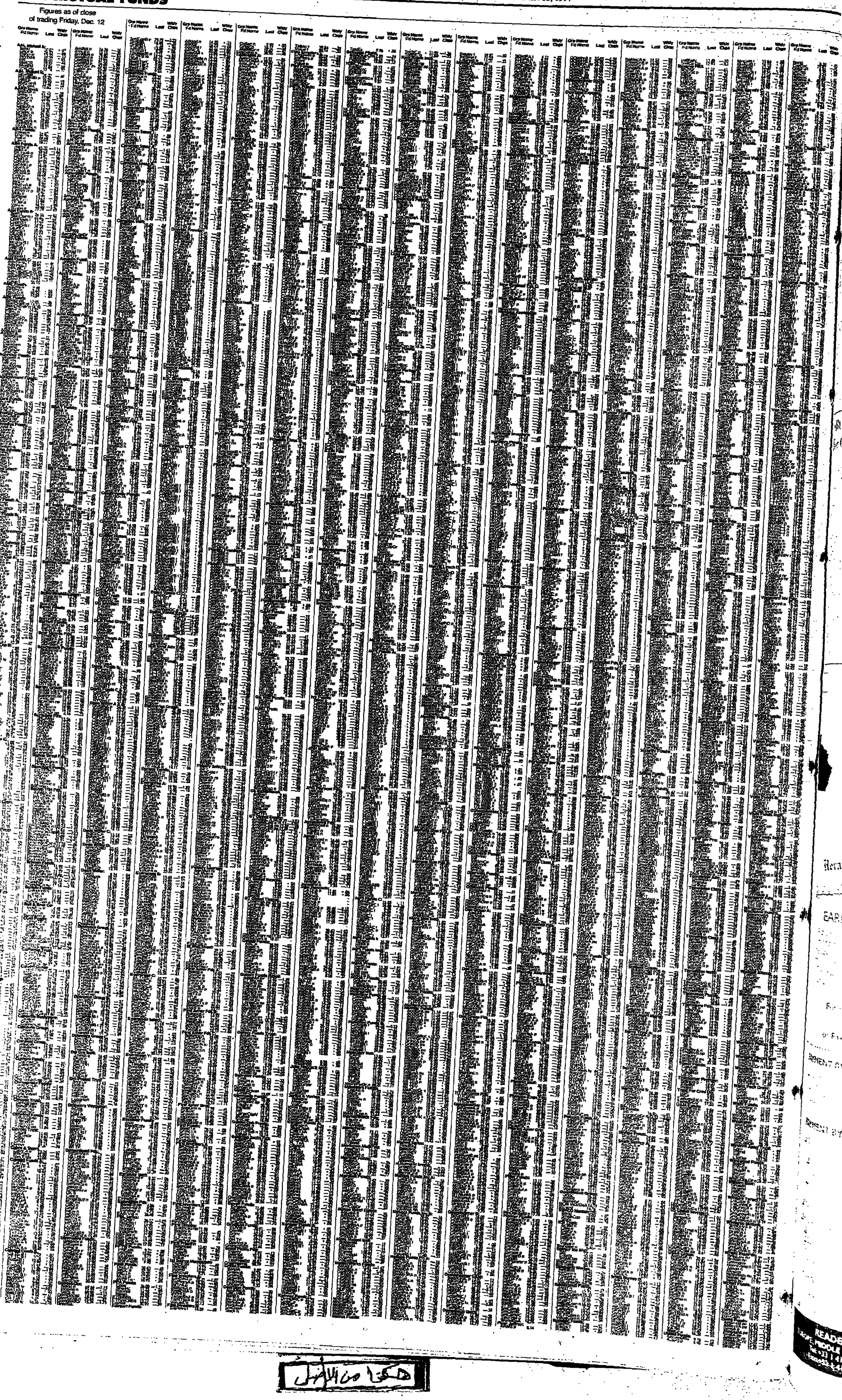
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U.S. MUTUAL FUNDS

Figures as of close of trading Friday, Dec. 12



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Brinson Funds Break Into the Big Leagues

By Edward Wyatt
New York Times Service

CHICAGO — He watches over the nest eggs of auto workers at General Motors and engineers at United Technologies, of actors in Hollywood and fire fighters in San Antonio, even for priests in the archdiocese here in Chicago.

Yet, at a time when dozens of money managers are as recognizable as rock stars, Gary Brinson has remained virtually unknown outside of the clubby world of Wall Street.

INVESTING

despite being one of the world's largest managers of pension plans as well as an innovator in financial management.

With the announcement last week of the merger of Swiss Bank Corp. and Union Bank of Switzerland, however, Mr. Brinson and his firm, Brinson Partners, are unlikely to remain anonymous for long.

The merger will more than double, to $340 billion, the assets overseen by the firm. Barely two years after being acquired by Swiss Bank, Brinson Partners is now moving into an echelon dominated by far more familiar companies like Fidelity Investments and Merrill Lynch.

And if Mr. Brinson stays true to form, he is likely soon to be in charge of much more. Already, he is slated to offer investment advice to some of the wealthiest clients of the new, giant United Bank of Switzerland, whose "private banking" group will control $400 billion in additional assets. If other, noninstitutional assets within the new bank come his way, Mr. Brinson could soon be holding sway over close to $1 trillion, more than any asset manager on the planet.

Perhaps some of Mr. Brinson's inability to penetrate the consciousness of the man on the street stems from the mediocre performance of his family of seven Brinson mutual funds. For much of the last year, Mr. Brinson has been adamant that the American stock market is overpriced, a stance that has hurt the funds' recent returns.

In the last decade, however, Mr. Brinson's firm has produced annual equity returns of nearly 19 percent on his general U.S. equity portfolios, roughly 1.5 percentage points better than the Standard & Poor's 500 index. And in his full, 27-year career as an investment manager, he has had an enormous impact on the way professionals and individuals alike view their investment portfolios.

For years, Mr. Brinson's theories about the importance of spreading assets across the globe and among various classes of assets — stocks, bonds, cash, real estate, venture capital and more — drew little attention outside of academic circles.

He often recites the story of giving a seminar on global investing in New York in the early 1980s for which three people showed up.

Now, his theories are the conventional wisdom among money managers around the world. And while most other investment companies have grown by concentrating on doing one thing well at a time — picking growth stocks, say, or unraveling the vagaries of foreign bonds — Mr. Brinson's firm juggles all that and more.

"Gary's approach has always been designed to manage a large amount of money in all asset classes across the globe," said Matthew Barger, the managing partner of Hellman & Friedman, a San Francisco venture capital firm that was an early investor in Brinson Partners. "It was a very ambitious undertaking."

Mr. Brinson's recollection of how he built his firm can be deceivingly mundane. "I believe a lot of things in life are serendipitous," he said in an interview at the firm's headquarters in Chicago. "I was the right person in the right place at the right time."

Swiss Bank thought enough of his ability that it paid $750 million two years ago to acquire Brinson Partners, an astounding sum for a firm that, at the time, managed only $36 billion. Five years earlier, Mr. Brinson had led a $100 million buyout of the company from First Chicago Corp.; he and about 100 other, smaller partners, as owners of 75 percent of the firm, cleared more than $460 million on the deal.

A key to Mr. Brinson's success lies in the fact that he is, at heart, an academic.

"Gary is a very quantitative individual who understands the theories and the fundamentals of investing," said Ronald Peyton, chief executive of Callan Associates, the pension consulting firm.

"But he also is a very good businessman who can attract and retain good people."

Mr. Brinson demonstrated his studied approach in starting a fund to invest in emerging markets: He had staff members research the business for nearly two years before offering an emerging-market portfolio to pension clients last year.

"We have to fully understand, absorb and analyze every potential type of investment activity," he said. "Only then are we able to go to clients and say that we truly understand the investments we are making."

That discipline allowed Brinson Partners to avoid the derivative debacle that caught a lot of pension managers in 1994, when interest rates shot up unexpectedly. It also, however, can cause the firm to make some bets that only later seem wise.

In mid-1987, for example, he sharply cut back on stock holdings in his pension clients' U.S. equity portfolio and sold short the market using stock index futures. As stock prices continued to rise to record heights that August, the stance drew heat from clients. But after the market crashed in October, and Mr. Brinson's portfolios performed far better than those of his peers, new pension clients flocked in.

Asked what inspired his measured approach, Mr. Brinson points



Lloyd DeGrange/The New York Times

Gary Brinson, funds manager, is a firm believer in serendipity.

to his father, who, he said, "never had a dime to invest."

"My parents were the product of the Depression," said Mr. Brinson, who is 54. Before he was born, his father, Albert, worked for a railroad company in Washington State, living in a boxcar while building snow sheds to house coal being shipped to Seattle. Later, his father drove a bus for the Seattle transit system.

"In that environment, you had to be extraordinarily careful in financial matters," he said.

That philosophy followed Mr. Brinson as he finished a master's degree and began teaching. "The process of researching and writing things to get them published in academic journals just became part of the fabric of how I thought and how I looked at things," he said.

SHORT COVER

China's Trade Deficit Widens

BEIJING (AFP) — China's trade deficit expanded by more than $40 billion in the first 11 months of 1997, the official People's Daily said Sunday.

Exports jumped 23.2 percent from a year earlier to $163.52 billion, while imports grew just 3.7 percent to $123.29 billion, the paper said, citing customs figures.

The overall trade volume amounted to a 14 percent increase from a year earlier.

Beijing to Ease Rules on Banks

BEIJING (AFP) — Beijing has pledged to allow more foreign banks to do local-currency business as part of an offer aimed at securing membership in the World Trade Organization, the official China Daily Business Weekly reported Sunday.

Foreign banks would be allowed to freely conduct local-currency operations first in Shanghai and, two years after China joins the WTO, in the country's five special economic zones under the services liberalization offer, presented in Geneva on Dec. 5 by Deputy Trade Minister Long Yongtu.

The zones include Shenzhen, Zhuhai and Shantou in Guangdong Province, the southeastern port of Xiamen and the entire southern island province of Hainan.

Core Pacific to Buy Yamaichi Unit

HONG KONG (Bloomberg) — Core Pacific Securities Corp., one of Taiwan's largest brokerage and fund management companies, said it would buy the Hong Kong operations of Japan's bankrupt Yamaichi Securities Co.

Core Pacific said the final price remains dependent on the release of year-end audited results.

In Tokyo, Yamaichi Securities, formerly Japan's fourth-largest brokerage, will fire nearly all of its 7,500 employees and return assets to its customers by the end of March, President Shohei Nozawa said.

Israel Sets Panel on Central Bank

JERUSALEM (Reuters) — Israel's cabinet approved Sunday the appointment of a public committee to make proposals on revising the law governing the Bank of Israel, Prime Minister Benjamin Nentanyahu's office said.

The committee will be headed by a retired judge and Mr. Netanyahu will appoint its members over the next few days, a spokesman in Mr. Netanyahu's office said.

SBC Unit to Bid For Christie's?

Bloomberg News

LONDON — SBC Warburg Dillon Read, the investment banking arm of Swiss Bank Corp., will make a bid for the art auction house Christie's International PLC, a source familiar with the situation said Sunday.

Directors of the 231-year-old Christie's were to meet Sunday in London to discuss the offer of £500 million ($825 million), the source said. The company said last week that it was engaged in talks with an unnamed buyer after takeover speculation pushed its shares up 33 percent in four days.

The bid would give the auction house access to Warburg's financial resources while Warburg would be able to offer Christie's expertise to its private clients wishing to invest in art.

International Fund Banks on Star Stock Pickers

By Carole Gould
New York Times Service

NEW YORK — Ask five highly regarded international investment managers to pick eight to 15 of their favorite stocks. Ensure diversity by choosing managers who use different approaches to picking stocks and who work with companies of different sizes. The product of their efforts: the Masters' Select International fund.

Only two weeks old, this no-load fund has already collected $39 million from investors. If it performs as well as its nearly year-old domestic sibling, Masters' Select Equity, those eager investors are not likely to be disappointed.

The original Masters' fund, which started in January and was fully invested by the end of that month, gained 23.4 percent from Jan. 31 through Thursday. That was better than the 17.3 percent gain for its peer group of large growth funds, according to Morningstar Inc., the fund research firm in Chicago, and the 23.3 percent gain of the Standard & Poor's 500-stock index.

It was also better than four of the six primary portfolios run by the "masters" themselves. The managers of the original fund are six superb stock pickers: Jean-Marie Eveillard of Sogen International, Foster Friess of Brandywine, O. Mason Hawkins of Longleaf Partners, Spiros Segalas of Harbor Capital Appreciation, Richard Weiss of Strong Common Stock, and Shelby Davis, a former manager of Davis New York Venture.

But only the Davis fund, now run by Mr. Davis's son Christopher, and Longleaf Partners, which is closed to new investors, bested the Masters' Select performance, although not by much: Davis New York Venture had a total return of 23.7 percent in the period and Longleaf, 23.8 percent.

The performance of the Masters' fund only underscores its basic concept: that combining experienced managers' best ideas will produce superior results.

That concept may work even better in the overseas arena, said Ken Gregory, president of the funds' sponsor, Litman/Gregory Fund Advisors in Orinda, California.

"We believe companies in foreign markets are less intensively researched, so that good stock pickers have the potential to add more value," he said.

Unlike its domestic counterpart, Masters' Select International will not be directed by managers from other mutual funds. So about one-third of assets will be managed by private money managers. To avoid overweighting in the riskier emerging markets, the fund bypassed even the respected managers in that area.

The five managers of Masters' Select International are: Helen Young Hayes, who runs Janus Worldwide and Janus Overseas; David Herro, manager of Oakmark International and Oakmark International Small Cap; Mark Yockey, who started Artisan International in 1996 and managed United International Growth before that. Daniel Jaworski, chief investment officer of BPI Global Asset Management; Bruce Bee, a money manager in Denver who uses a growth-at-a-reasonable price style.

Limiting the funds' size will let the managers keep a sharp focus on their favorite stocks, Mr. Gregory said. He expects to close Masters' Select Equity, which holds $280 million, when assets reach $500 million to $750 million. Masters' Select International will close when assets reach $600 million to $1 billion, he said.

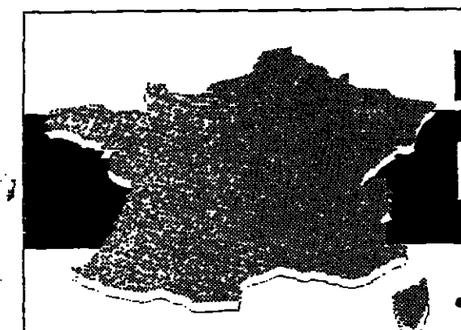
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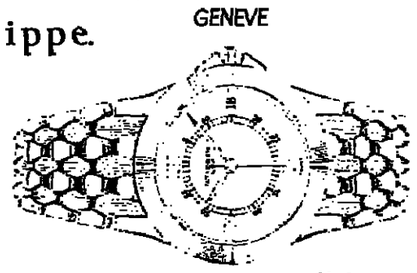
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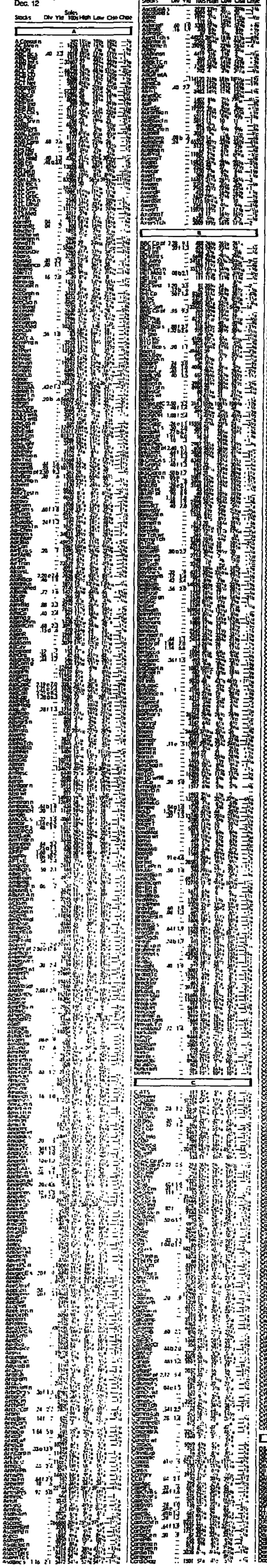


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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Dec. 12



Continued on Page 17

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, November 12

(Continued)



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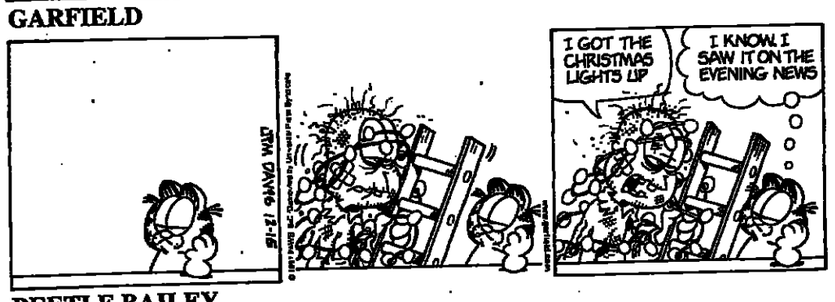


"FIRST, I WAS GETTING ON HIS LAP, THEN HE SAID I WAS GETTING ON HIS NERVES."

PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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HASFIM
FLIEBE



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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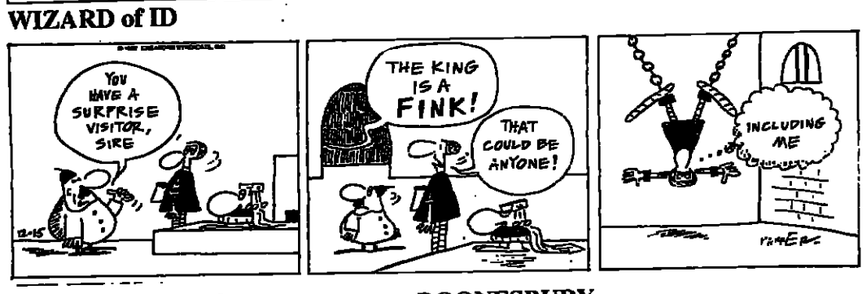
Saturday's Jumbles: FORAY SWOON NOTIFY JUNKET
Answer: This happened to his career when he became a pilot – IT TOOK OFF

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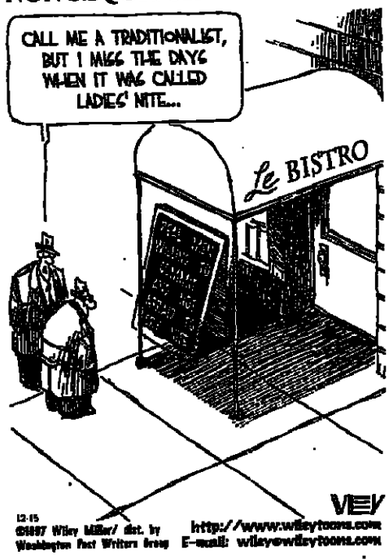
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Even Without Ronaldo, Inter Wins Comfortably

His Replacement, Zamorano, Is Among the Scorers

Compiled by Our Staff From Dispatches

Inter Milan, the Italian league leader, made light of the enforced absence of its star striker, Ronaldo, and thrashed Roma, 3-0, on Sunday.

Juventus, the reigning champion, drew 1-1 at Piacenza, while Udinese drew, 0-0, at Bari. Parma thrashed last-place Napoli, 4-0, in Naples to move up to fourth, one point behind Udinese.

With Ronaldo, the world player of the year, playing for Brazil in the Confederation Cup, Inter's other international stars brushed aside Roma, which started the day in third place.

Youri Djorkaeff converted a penalty in the 41st minute after Roma's goalkeeper, Michel Konsel, tripped Diego Simeone. The Argentine midfielder then set up Marco Branca for a second goal eight minutes later before Ivan Zamorano, a Chilean playing in place of Ronaldo, turned in a third in the 71st. By then Roma was playing with nine men. Matteo Pivotto and Francesco Totti were ejected early in the second half.

EUROPEAN SOCCER

Juventus struggled against Piacenza until Daniel Fonseca, a second-half substitute, scored following a brilliant run and shot in the 77th minute. But three points became just one when a rare handling error by Angelo Peruzzi, Italy's national goalkeeper, presented Gian Pietro Piovani with an equalizer two minutes later.

Like Inter, AC Milan, which won at Aralanta Bergamo, was also missing a former world player of the year, George Weah. But the injured Weah was hardly missed as Patrick Kluivert finally showed glimpses of his Ajax form.

In the second minute, Kluivert met a Zvonimir Boban cross with a firm header that hit the bar and cannoned into the net. Marco Sgro equalized in the 17th minute, but another Kluivert header in the 58th minute lifted Milan into sixth, its highest placing of the season.

ENGLAND Bolton came from 3-1 down on Sunday to draw, 3-3, at home against Derby. Bolton went ahead with a 50th-minute penalty by Alan Thompson. Stefano Eranio leveled five minutes later. Then, an impressive spell of neat passing by Derby created goals for Francesco Baiano in the 64th and 69th minutes.

Nathan Blake's header reduced the deficit, and Jamie Pollock slammed in the equalizer in the 77th minute.

On Saturday, Leeds United offered a fitting tribute to its former captain, Billy Bremner, with a snarling, aggressive assault on Chelsea. The match at Stamford Bridge, which ended 0-0, was preceded by a minute's silence for Bremner, a tough-tackling midfielder, who died of a heart attack Dec. 7 at age 54.

Within minutes of the kickoff, Leeds, which has the worst disciplinary record in the division, had made it clear that it would counter Chelsea's creativity with aggression. The tactics worked, but Leeds played a heavy price.

Gary Kelly received a yellow card after just 30 seconds. By halftime, Leeds had three more players on a yellow card and had lost Kelly and Alf-Inge Haaland to red cards. Three Chelsea players also received yellow cards in the first half, in which neither team managed a shot on target.

Graham Poll, the referee, said the first half was "the most remarkable I've ever been involved with. The yellow card seemed to have no effect on the players."

The second period was the opposite. There were no yellow cards, and only seven fouls, as Leeds retreated into a defensive posture that the home team never really breached.

"We deserved some of the bookings, but there was a lot of diving around out there today," said George Graham, the Leeds manager. "It's creeping more into our game and it's terrible to see fellow professionals trying to get people booked. I don't want our team to become thugs, but I didn't see many Chelsea players come off the pitch injured. I think it's sad."

Graeme Le Saux, a Chelsea defender, said: "You didn't know which direction the next tackle was coming from. It was ferocious. They came to unsettle us and to a certain extent it worked.

David Hopkins, the Leeds captain, said: "It was a passionate game, but we didn't come here to do it that way." On Friday, Hopkins said he planned to "hassle Chelsea all the way."

NETHERLANDS Ajax Amsterdam took another step in what is becoming a comfortable stroll to its 27th Dutch-league title on Sunday when it beat Volendam, the last-place team, 3-0. Ajax is 18 points ahead of PSV Eindhoven. In 19 games, Ajax has scored 59 goals and conceded just four. PSV, which did not play, visits Amsterdam next weekend.

In a lackluster match on Sunday, Jari Litmanen opened the scoring with a free kick in the 38th minute. On the hour, a Ronald de Boer corner was knocked in by his brother, Frank. Five minutes later, Litmanen scored again from a de Boer corner.

SPAIN Real Madrid kept pace with the leader, Barcelona, with a drab 1-0 victory over Merida. Real had help from Merida's Mariano and Marcos. Davor Suker's curving corner in the 30th minute appeared to deflect off Mariano into the Merida net. Marcos blasted a penalty over the bar.

On Saturday, a blunder by Espanyol's goalkeeper, Toni Jimenez, set Barcelona on its way to a 3-1 victory over its near neighbor.

The game was scoreless until Jimenez hit a clearance that rebounded off Luis Enrique into the net midway through the first half. Barcelona then took control with fine goals by Giovanni and Sergi Barjuan.

FRANCE Thierry Henry scored after 54 minutes as Monaco beat visiting Rennes, 1-0, to regain first place.

Marseilles had moved into first on Saturday when it won, 1-0, at Lens. Xavier Gravelaine scored with a volley after nine minutes. Lens had not lost at home this season.

GERMANY Bayern Munich broke its losing streak with a 3-2 victory over Borussia Moenchengladbach on Saturday and gained ground on Kaiserslautern, which lost, 2-0, to Hertha Berlin on Friday.

Carsten Jancker scored twice for Bayern, which ended a run of three defeats.

Bayern moved ahead, 3-0, with Jancker's efforts in the 20th and 50th minutes and a goal from a defensive midfielder, Christian Nerlinger, in the 52d minute.

Stefan Effenberg scored for Borussia in the 63d minute and Jorgen Pettersson scored with three minutes remaining.

Bayer Leverkusen, last season's runner-up, drew 0-0 at VfL Bochum to climb into fourth place.

SCOTLAND The fight for first place tightened Saturday as leaders Hearts lost; 1-0, to Celtic and Rangers was held to a scoreless draw at Dunfermline.

Hearts lost to a goal by Craig Burley but it remains one point ahead of Rangers and two ahead of Celtic. *(Reuters, AP)*



Luca Bruno/The Associated Press

Ivan Zamorano celebrating his goal for Inter in its 3-0 victory Sunday over Roma.

All-Out Sailing: Going Overboard For the Whitbread

By Barbara Lloyd
New York Times Service

Not many people get the chance to go swimming in the Southern Ocean, nor would they want to. But Jerry Kirby, a can-do sailor who seems immune to fear, has taken the dive.

It's a cold and forsaken place, a stretch of ocean that skirts the globe unfettered from sea to sea. But Kirby knew that someone on Chessie Racing had to go overboard in the Whitbread Round the World Race. The 64-foot (19.5-meter) sailboat had hit something hard, probably a whale, and seemed to have lost a fraction of speed.

"I just dived in to take a look at the keel," Kirby said by telephone last week from Fremantle, Australia. "I put on a dry suit, but it had a leak in one seal. So I put foul-weather gear over it and jumped into the 40-degree water." At 4.5 degrees centigrade, "it was cold."

He found that the putty used to smooth the keel's edges had been knocked off in clumps. The crew couldn't do much about it, cut off from shore in their 4,600-mile (7,300-kilometer) voyage from Cape Town to Fremantle.

But repairs have now been made. The boat set out again Saturday, having left Fremantle alongside eight other Whitbread teams in the third leg of the global competition. The next port-of-call is Sydney, a 2,250-mile stage that is likely to be a pleasant cruise compared to the long, hard and finger-numbing days of the second leg.

At this point, the Norwegian team aboard Innovation Kvaerner II is leading with 207 points compared with 197 points for EF Education, the boat with Paul Cayard of San Francisco in charge.

Aboard Chessie, a boat from Baltimore, Kirby is the crew boss. As one of two U.S. entries in the competition, the yacht rotates some of its crew members. But Kirby has been there from the start.

He is a 42-year-old sailor from Newport, Rhode Island, competing in the Whitbread race for the first time. He has three America's Cup campaigns to his credit, and innumerable international regattas. But Kirby thought it was about time for a Whitbread.

"He has the utmost respect from every man on that crew," said Kathy Alexander, a spokeswoman for the Chessie crew in Baltimore. "Jerry is always upbeat, so capable, and loyal to the end. They think he's wonderful."

It is that kind of camaraderie that any crew yearns for.

Crammed as each team is — a dozen sailors within the confines of an all-out racing machine — creature comforts are scarce. During the first leg, the Toshiba team splintered in a personality clash that contributed to a decision by Chris Dickson, the boat's skipper, to resign in Cape Town. And crew shake-ups are still going on.

The decision to devote eight months to a Whitbread race is difficult for any sailor, but especially one with a young family. Back in Newport, Kirby left behind his wife, Kim, and two preschool boys. He placed his family business, Kirby Construction, in the hands of a brother-in-law.

Kirby says he hasn't regretted the move.

"I've never had as much adrenaline running through my blood in my life as I have in this race," he said.

Chessie Racing is seventh overall. But a system of points for each of nine legs has made the Whitbread more of an endurance contest than ever before. While Swedish Match won the last leg, the team is in fourth place over all with 167 points.

Gunnar Krantz, skipper of Swedish Match, said in a telephone interview that he did not expect big differences in the finish time at Sydney.

■ Norwegians at Risk

Innovation Kvaerner II was limping back to the Australian coast Sunday, little more than 24 hours after the start of the third leg, Reuters reported.

Knut Frostad, the skipper of the Norwegian entry, reported buckling and denting at the base of the mast and asked for a helicopter to drop a repair kit to the boat.

Parnevik Prevails in Asia Super Tour

The Associated Press

TAIPEI — Jesper Parnevik shot a 2-under-par 70 in soggy conditions Sunday, for a four-shot victory in a tournament played over six days in four countries.

Parnevik put together a 12-under 276 total on courses in Indonesia, Thailand, the Philippines and Taiwan.

Nick Faldo, who struggled with his putting earlier, also shot a 70 and finished second at 280 in the eight-man Johnnie Walker Super Tour.

Parnevik won $100,000.

Rain and cool temperatures made for slow greens at the 6,807-yard Ta Shee Gold and Country Club outside Taipei.

Boonchu Ruangkit of Thailand topped the four Asians in the field, finishing third at 282 after a 70 in the final round. Felix Casas, a Filipino, finished fifth at 285, and Hong Chia-yuh of Taiwan was next at 11-over 299, after both shot 73. Maan Nasim of Indonesia shot a 75 and finished at 304.

Last year's winner, Ernie Els, was fourth at 283 after a 72 on Sunday. Ian Woosnam dropped out of the tournament in the Philippines, suffering from heat exhaustion, but played an exhibition round Sunday.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE	W	L	Pct	GB
ATLANTIC DIVISION				
Miami	15	6	.714	—
Orlando	16	8	.667	½
New York	13	9	.591	2½
New Jersey	12	10	.545	3½
Boston	9	12	.429	6
Washington	9	14	.391	7
Philadelphia	6	14	.300	8½
CENTRAL DIVISION				
Atlanta	16	5	.762	—
Charlotte	14	7	.667	2
Cleveland	14	7	.667	2
Indiana	13	8	.619	3
Chicago	13	9	.591	3½
Milwaukee	11	11	.500	5½
Detroit	11	12	.478	6
Toronto	2	20	.091	14½

WESTERN CONFERENCE	W	L	Pct	GB
MIDWEST DIVISION				
Houston	12	6	.667	—
Utah	13	8	.619	½
San Antonio	12	10	.545	2
Minnesota	9	12	.429	4½
Vancouver	8	14	.364	6
Dallas	5	16	.238	8½
Denver	2	19	.095	11½
PACIFIC DIVISION				
Seattle	17	5	.773	—
L.A. Lakers	16	5	.762	½
Phoenix	13	6	.684	2½
Portland	13	7	.650	3
Sacramento	7	15	.318	10
Golden State	4	16	.200	12
L.A. Clippers	4	18	.182	13

FRIDAY'S RESULTS

Washington 28 29 21 10— 88
Boston 26 26 17 28— 97
W: Howard 6-12 10-12 22, Webber 10-19 0-0 20; B: Walker 9-16 3-4 23, Billups 5-7 3-4 15. Rebounds—Washington 53 (Webber 11), Boston 49 (Walker 12). Assists—Washington 19 (Strickland, Whitney 5), Boston 28 (Walker 7).

Denver 27 22 19 22— 91
Philadelphia 34 22 25 25—106
D: Washington 6-15 1-2 14, Newman 3-6 8-9 14; P: Stackhouse 12-20 6-6 32, J.Jackson 6-13 6-6 19. Rebounds—Denver 54 (Garrett 12), Philadelphia 48 (Weatherspoon 12). Assists—Denver 18 (Goldwire 7), Philadelphia 27 (J.Jackson, Iverson 8).

Chicago 29 14 13 21— 77
Charlotte 18 22 22 15— 79
Chicago: Jordan 12-24 4-6 28, Kukoc 4-11 4-4 14; Charlotte: Rice 9-20 3-4 21, Divac 4-11 2-4 10. Rebounds—Chicago 54 (Rodman 19), Charlotte 44 (Mason, Rice 7). Assists—Chicago 19 (Kukoc 7), Charlotte 32 (Mason 6).

Miami 29 17 24 19— 89
Indiana 24 23 32 25—104
M: Hardaway 10-18 5-7 28, Mashburn 6-12 5-8 18, I: Smits 14-23 1-1 29, Miller 8-14 8-8 28. Rebounds—Miami 41 (Austin 8), Indiana 47 (D.Davis 12). Assists—Miami 20 (Hardaway 10), Indiana 25 (Jackson 14).

Dallas 19 15 19 13— 66
Utah 19 17 17 15— 68
D: Scott 7-10 2-4 21, Finley 8-14 5-5 21; U: Malone 10-15 3-4 23, Anderson 5-6 3-4 13. Rebounds—Dallas 29 (Green 7), Utah 46 (Keefe 11). Assists—Dallas 16 (Reeves 6), Utah 15 (Malone, Stockton 4).

Portland 21 31 22 23— 98
Seattle 34 28 22 24—111
P: Rider 7-17 2-3 21, Anderson 5-15 5-6 17; S: Hawkins 8-14 3-4 21, Baker 7-15 6-9 20. Rebounds—Portland 41 (Wallace, Sabonis 9), Seattle 46 (Baker 17). Assists—Portland 21 (Wallace 5), Seattle 24 (Payton 8).

Golden State 25 23 15 25— 88
Vancouver 25 22 26 22— 95
G.S.: Smith 10-21 3-4 23, Marshall 6-15 2-2 14, Dampier 4-7 6-10 14; V: Abdur-Rahim 9-16 12-14 30, Thorpe 5-9 3-4 13, Mack 4-12 3-3 13, Edwards 6-13 0-0 13. Rebounds—Golden State 52 (Smith 10), Vancouver 52 (Lynch 10). Assists—Golden State 22 (Bogues 8), Vancouver 30 (Daniels 7).

Atlanta 29 15 28 19—87
L.A. Clippers 15 26 14 19—74
A: Smith 8-16 6-8 22, Laettner 7-15 7-8 21; L.A. Clippers: Closs 7-13 1-4 15, Wright 5-11 2-2 12, Murray 6-10 0-1 12. Rebounds—Atlanta 49 (Mutombo 15), Los Angeles 48 (Wright, Murray 9). Assists—Atlanta 19 (Blaylock 10), Los Angeles 13 (Barry, Murray 3).

Houston 24 27 21 30—102
L.A. Lakers 23 26 36 34—119
H: Drexler 8-16 1-1 21, Barkley 5-14 6-6 16; L.A. Lakers Fox 12-15 3-3 30, Bryant 8-15 9-10 27. Rebounds—Houston 59 (Barkley 14), Los Angeles 53 (Horry 8). Assists—Houston 21 (Drexler 6), Los Angeles 26 (Van Exel 8).

SATURDAY'S RESULTS

Washington 27 26 20 19— 92
Indiana 25 21 29 34—109
W: Webber 12-20 7-10 31, Howard 6-17 6-8 18; I: Smits 9-21 7-7 25, Miller 6-14 7-7 22. Rebounds—Washington 51 (Howard, Webber, Williams, Strickland 6), Indiana 52 (Smits 13). Assists—Washington 21 (Strickland 9), Indiana 23 (Jackson 6).

Denver 20 25 18 32— 95
New Jersey 29 40 34 30—133
D: Newman 7-12 7-9 21, Jackson 7-13 4-4 18; N.J.: Van Horn 8-11 11-15 30, Douglas 9-14 1-3 19. Rebounds—Denver 40 (Garrett 13), New Jersey 65 (Williams 22). Assists—Denver 13 (Jackson 4), New Jersey 32 (Cassell 9). Total fouls—Denver 26 New Jersey 21.

Philadelphia 26 19 16 22— 83
New York 23 27 17 28— 95
P: Iverson 8-20 12-13 29, Jackson 5-12 0-0 11, Thomas 5-8 0-0 11; N.Y.: Starks 10-15 6-8 28, Houston 9-19 2-2 23. Rebounds—Philadelphia 47 (Weatherspoon, Montross 8), New York 52 (Ewing 13). Assists—Philadelphia 11 (Stackhouse 3), New York 25 (Ward 8).

Charlotte 9 29 26 21— 85
Cleveland 25 21 18 20— 84
Charlotte: Rice 9-23 9-9 32, Divac 6-10 0-0 12; Cleveland: Kemp 9-16 7-8 25, Ilgauskas 6-12 3-3 15. Rebounds—Charlotte 42 (Rice 9), Cleveland 50 (Person 9). Assists—Charlotte 21 (Wesley 5), Cleveland 22 (Knight 7).

Boston 22 17 21 17— 77
Detroit 19 24 26 24— 93
B: McCarty 7-15 4-6 19, Walker 8-23 0-0 19; D: B.Williams 15-22 1-1 31, Hill 5-14 9-10 19. Rebounds—Boston 43 (Walker 11), Detroit 47 (B.Williams 15). Assists—Boston 23 (Walker, Billups 4), Detroit 20 (Hill 8).

Phoenix 31 23 28 19—101
Minnesota 31 28 22 31—112
P: Ceballos 9-13 0-0 20, Kidd 7-13 3-4 20; M: Mitchell 9-14 5-6 24, Garnett 8-12 4-6 20. Rebounds—Phoenix 46 (Manning 8), Minnesota 45 (Garnett 8). Assists—Phoenix 23 (Kidd 8), Minnesota 34 (Marbury 14).

Orlando 18 18 20 22— 78
San Antonio 34 18 21 24—107
O: Grant 7-16 0-0 14, Seikaly 6-12 0-1 12; S.A.: Duncan 15-20 2-3 32, Robinson 9-13 0-0 18. Rebounds—Orlando 41 (Outlaw 8), San Antonio 44 (Duncan 11). Assists—Orlando 15 (Price, Harper 3), San Antonio 26 (Johnson 9).

Toronto 9 20 22 19— 70
Chicago 24 16 29 28— 97
T: Wallace 7-15 0-2 14, Camby 4-11 3-5 11, Slater 5-10 1-2 11; C: Harper 8-14 4-8 20, Kukoc 6-7 2-6 15. Rebounds—Toronto 49 (Wallace 7), Chicago 70 (Rodman 14). Assists—Toronto 13 (Stoudamire, Garner 3), Chicago 27 (Rodman 14).

Miami 25 15 29 18— 87
Milwaukee 28 13 25 18— 84
Miami: Austin 8-17 6-10 22, Hardaway 7-18 7-12 21, Lenard 5-9 9-9 21; Milwaukee: Robinson 13-22 2-2 28, Perry 6-8 2-2 15. Rebounds—Miami 42 (Hardaway 9), Milwaukee 49 (Johnson 14). Assists—Miami 14 (Hardaway 11), Milwaukee 16 (Allen 9).

Sacramento 22 19 23 17 10— 91
Golden State 22 23 19 17 14— 95
S: Richmond 10-23 7-8 30, Polynice 8-15 2-4 18; G.S.: Smith 11-18 3-4 25, Marshall 6-16 4-5 16. Rebounds—Sacramento 62 (Polynice 14), Golden State 64 (Marshall 12). Assists—Sacramento 21 (Richmond 6), Golden State 22 (Bogues 8).

Major College Scores

Michigan 81, Duke 73
North Carolina 50, Princeton 42
Kansas 103, Middle Tennessee State 68
Kentucky 85, Georgia Tech 71
Arizona 99, Coppin State 82
Xavier 88, Cincinnati 68
Purdue 107, San Francisco 82
Iowa 60, Iowa State 59
UCLA 120, Cal State-Fullerton 91
Illinois 71, Clemson 61
Pacific 85, Fresno State 74
Maryland 104, Maryland-Baltimore Co. 66
Temple 74, DePaul 43
Mississippi 71, Wichita State 48
Georgia 55, East Carolina 54

TOURNAMENT FINALS

BOILERMAKER INVITATIONAL
Purdue 107, San Francisco 82
CARRIER CLASSIC
Syracuse 72, Miami, Ohio 53
COUGAR CLASSIC
Brigham Young 53, Pepperdine 52
INDIANA CLASSIC
Indiana 64, South Alabama 56
TCU TOURNAMENT
Texas Christian 99, Baylor 75

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE	W	L	T	Pts	GF	GA
ATLANTIC DIVISION						
New Jersey	22	9	0	44	94	55
Philadelphia	17	9	6	40	91	75
Washington	15	12	6	36	99	91
N.Y. Islanders	13	15	4	30	87	87
N.Y. Rangers	9	14	11	29	87	95
Florida	11	16	5	27	80	96
Tampa Bay	6	20	4	16	57	99
NORTHEAST DIVISION						
Pittsburgh	18	10	6	42	95	80
Montreal	18	12	4	40	102	85
Boston	15	12	5	35	80	82
Ottawa	13	15	4	30	80	77
Carolina	12	16	5	29	87	94
Buffalo	10	14	6	26	76	81

WESTERN CONFERENCE	W	L	T	Pts	GF	GA
CENTRAL DIVISION						
Dallas	21	9	4	46	106	71
St. Louis	20	11	3	43	100	78
Detroit	19	8	5	43	107	77
Phoenix	13	14	5	31	85	89
Chicago	10	15	6	26	68	80
Toronto	10	15	5	25	65	81
PACIFIC DIVISION						
Colorado	17	8	9	43	102	86
Anaheim	12	15	6	30	76	95
Los Angeles	12	13	6	30	92	87
Edmonton	11	16	7	29	82	101
San Jose	11	18	3	25	80	96
Calgary	9	18	7	25	87	102
Vancouver	9	19	4	22	91	116

FRIDAY'S RESULTS

Carolina 0 0 2 0—2
Buffalo 1 0 1 1—3
First Period: B-Peca 5 (Smehlik, Plante) (pp). Second Period: None. Third Period: Carolina, Dineen 5 (Ranheim, Ciccone) 3, Carolina, O'Neill 7 (Sanderson, Wesley) (pp). 4, B-, Satan 13 (Woolley) Overtime: 5, B-Barnaby 1 (Smehlik) Shots on goal: Carolina 7-9-18-3—37. B- 10-7-3-8—28. Goalies: Carolina, Burke. B-Hasek.

Florida 2 2 0—4
N.Y. Rangers 1 1 1—3
First Period: New York, Driver 3 (Stevens, LaFontaine) 2, F-Dvorak 1 (Wells) (sh). 3, F-Dvorak 2 (Washburn) (sh). Second Period: F-Nemirovsky 6 (Whitney, Wells) 5, New York, Stevens 7 (LaFontaine) 6, F-Carkner 1 (Johnson) Third Period: New York, Sweeney 8 (LaFontaine, Stevens) Shots on goal: F- 12-13-4—29. New York 10-9-12—31. Goalies: F-Vanbiesbrouck. New York, Richter.

Montreal 0 2 0—2
New Jersey 3 1 1—5
First Period: N.J.-Rolston 5 (Carpenter, Zelepukin) 2, N.J.-Guerin 4 (Niedermayer, Odelein) 3, New Jersey, Thomas 3 (Niedermayer, Guerin) Second Period: M-Rucinsky 10 (Damphousse, Brisebois) 5, N.J.-Holik 16 (Zelepukin, Stevens) 6, M-Recchi 15, Third Period: N.J.-Elias 12 (Holik, Gilmour) (pp). Shots on goal: M- 10-13-8—31. N.J.- 10-10-13—33. Goalies: M-Thibault. N.J.-Brodeur.

Edmonton 0 0 2—2
Detroit 0 1 1—2
First Period: None. Second Period: D-Shanahan 15 (Gilchrist, Lapointe) Third Period: E-Lindgren 6 (Buchberger) 3, E-Lindgren 7 (Buchberger, Marchant) 4, D-Gilchrist 8 (Lapointe, Shanahan) 5, E-McGillis 6. Shots on goal: E- 10-8-8—26. D- 8-14-14—36. Goalies: E-Essensa. D-Osgood.

Philadelphia 1 0 2—3
Chicago 1 0 1—2
First Period: C-Zhamnov 4 (Chelios). 2, P-LeClair 24 (Grafton) Second Period: None. Third Period: P-Grafton 7 (Zubrus, LeClair) 4, P-Forbes 2 (Otto) 5, C-Daze 10 (Weinrich) Shots on goal: P- 8-3-9—20. C- 18-5-9—32. Goalies: P-Snow. C-Treflov.

San Jose 1 0 0—1
Dallas 0 0 0—0
First Period: S.J.-Craven 6 (Gill, Nolan) (pp). Second Period: None. Third Period: None. Shots on goal: S.J.- 5-5-5—15. D- 8-8-8—24. Goalies: S.J.-Hrudey. D-Belfour.

Pittsburgh 0 1 1 0—2
Phoenix 0 2 0 0—2
First Period: None. Second Period: Phoenix, Gartner 3 (Ronning, Khabibulin) 2, Phoenix, Mara 4 (Corkum, Ylonen) 3, Pittsburgh Barnes 9 (Brown, Jagr) (pp). Third Period: Pittsburgh Francis 10 (Barnes, Hatcher) Shots on goal: P- 6-7-4-2—19. Phoenix 3-7-1-2—13. Goalies: P-Barrasso. Phoenix, Khabibulin.

Colorado 0 0 1—1
Calgary 1 0 2—3
First Period: Calgary Stillman 12 (McInnis) Second Period: None. Third Period: Colorado Deadmarsh 10 (Forsberg, Klemm) 3, Calgary Iginla 10 (Fleury) 4, Calgary Titov 8 (Fleury) (en). Shots on goal: Colorado 13-9-12—34. Calgary 11-4-10—25. Goalies: Colorado, Billington. Calgary, Tabaracci.

Washington 3 1 0—4
Anaheim 1 3 2—6
First Period: W-Juneau 6 (Cote, Toms) 2, W-Miller 3 (Bulis, Tinordi) 3, W-Bondra 21 (Gonchar, Oates) (pp). 4, A-Selanne 25 (Kariya, Mironov) Second Period: A-Rucchin 4 (Mironov, Daigneault) 6, W-Gonchar 2 (Housley, Bondra) (pp). 7, A-, Daigneault 2 (Mironov, Kariya) (pp). 8, A-Kariya 1 (Selanne) Third Period: A-Selanne 26 (Mironov) 10, A-Kariya 2, (en). Shots on goal: W- 14-9-11—34. A- 6-21-9—36. Power-play Opportunities—W- 2 of 5; A- 2 of 3. Goalies: W-Kolzig. A-Hebert.

SATURDAY'S RESULTS

Florida 1 0 0—1
N.Y. Islanders 1 1 2—4
First Period: New York, Lapointe 7 (Kruse, Lachance) 2, F-Jovanovski 4 (Nemirovsky, Muller) (pp). Second Period: New York, Belanger 1 (Green, Hough) Third Period: New York, Berkuzzi 5 (Chorske) 5, New York, Smolinski 6. Shots on goal: F- 8-10-6—24. New York 5-10-12—27. Goalies: F-Fitzpatrick. New York, Salo.

Montreal 0 1 1—2
Boston 2 1 1—4
First Period: B-Samsonov 4 (Carter) (pp). 2, B-Carter 3 (Khristich, Sweeney) (pp). Second Period: B-Donato 13 (Heinze, Allison) 4, M-Stevenson 3, Third Period: B-Bourque 8 (Allison) 6, M-, Bordeleau 2 (Manson, Damphousse) Shots on goal: M- 1-11-11—23. B- 11-6-8—25. Goalies: M-Moog. B-Dafoe.

Tampa Bay 1 1 1—3
Ottawa 0 0 1—1
First Period: T-Ulanov 2 (Ysebaert, Hamrlik) (pp). Second Period: T-Zamuner 10 (Poulin, Andersson) Third Period: O-Gardiner, 3 (Zholtok, Arvedsson) 4, T-Wiemer 6, (en). Shots on goal: T- 10-7-5—22. O- 7-9-7—23. Goalies: T-Schwab. D-Tugnutt.

New Jersey 1 2 0—3
Toronto 0 0 0—0
First Period: N.J.-Gilmour 7 (Bodger) Second Period: N.J.-Pederson 5 (McKay) 3, New Jersey, Holik 17 (Andreychuk, Elias) Third Period: None. Shots on goal: N.J.- 9-16-11—36. T- 10-5-10—25. Goalies: N.J.-Brodeur. T-Potvin.

Edmonton 1 1 2—4
St. Louis 0 1 0—1
First Period: E-McGillis 7 (Weight) (pp). Second Period: S.L.-Turcotte 4 (Twist, Poeschek) 3, E-Lindgren 8 (Mironov, Marchant) (pp). Third Period: E-Mironov 8 (Marchment, Weight) (pp). 5, E-Buchberger 3, (en). Shots on goal: E- 3-13-11—27. S.L.- 12-15-10—37. Goalies: E-Joseph. S.L.-Fuhr.

Colorado 4 0 1—5
Vancouver 1 0 1—2
First Period: C-Forsberg 10 (Ozolinsh, Sakic) (pp). 2, C-Ozolinsh 4 (Forsberg, Sakic) (pp). 3, C-Forsberg 11 (Kamensky, Gusarov) 4, V-, M.Messier 12 (Ledyard, Bure) 5, C-Yelle 5 (Krupp, Lacroix) Second Period: None. Third Period: V-Murzyn 4 (Scatchard) 7, C-Kurri 3 (Sakic) (en). Shots on goal: C- 15-6-7—28. V- 14-5-12—31. Goalies: C-Billington. V-McLean, Irbe.

Washington 2 0 0 0—2
Los Angeles 0 1 1 0—2
First Period: W-Gonchar 3 (Oates, Bondra) 2, W-Reekie 2, Second Period: L.A.-Tsyplakov 9 (Murray, Laperriere) Third Period: L.A.-McKenna 2 (Robitaille, Blake) Overtime: None. Shots on goal: W- 9-14-11-2—36. L.A.- 8-12-9-2—31. Goalies: W-Kolzig. L.A.-Fiset.

FOOTBALL

NFL Standings

AMERICAN CONFERENCE	W	L	T	Pct.	PF	PA
EAST						
Miami	9	5	0	.643	327	272
New England	9	6	0	.600	355	277
N.Y. Jets	8	6	0	.571	307	274
Buffalo	6	8	0	.429	220	316
Indianapolis	2	12	0	.143	244	362
CENTRAL						
y-Pittsburgh	11	4	0	.733	366	291
Jacksonville	9	5	0	.643	354	295
Tennessee	7	7	0	.500	298	283
Baltimore	5	8	1	.393	291	310
Cincinnati	5	9	0	.357	308	367
WEST						
y-Kansas City	11	3	0	.786	321	212
y-Denver	11	3	0	.786	417	250
Seattle	6	8	0	.429	305	332
Oakland	4	10	0	.286	294	377
San Diego	4	10	0	.286	256	358

NATIONAL CONFERENCE	W	L	T	Pct.	PF	PA
EAST						
x-N.Y. Giants	9	5	1	.633	287	258
Washington	7	7	1	.500	292	257
Philadelphia	6	7	1	.464	268	317
Dallas	6	8	0	.429	273	263
Arizona	3	11	0	.214	244	326
CENTRAL						
x-Green Bay	11	3	0	.786	360	251
Tampa Bay	9	5	0	.643	268	217
Minnesota	8	6	0	.571	302	317
Detroit	7	7	0	.500	352	283
Chicago	3	11	0	.214	235	380
WEST						
x-San Francisco	12	2	0	.857	332	210
Carolina	7	7	0	.500	237	253
Atlanta	6	8	0	.429	274	315
New Orleans	5	9	0	.357	197	292
St. Louis	4	10	0	.286	259	328

x-won division title
y-clinched playoff berth

SATURDAY'S RESULTS

New York Giants 30, Washington 10
Pittsburgh 24, New England 21, OT

CRICKET

CHAMPIONS TROPHY
IN SHARJAH, UAE
INDIA VS. PAKISTAN
India: 239-7 in 50 overs
Pakistan: 243-6.
Pakistan won by four wickets.
ENGLAND VS. WEST INDIES
West Indies: 197-7 in 50 overs
England: 198-6 in 45.5 overs
England won by four wickets.
STANDINGS: England 4 points, West Indies 2, Pakistan 2, India 0.
AUSTRALIA VS. AUSTRALIA 'A'
SUNDAY IN SYDNEY
Australia 'A': 203-9 innings closed
Australia: 206-7 in 49 overs
Australia won by three wickets.
SOUTH AFRICA TOUR
TASMANIA VS. SOUTH AFRICA
4-DAY, 2D DAY
SUNDAY IN DEVONPORT, AUSTRALIA
Tasmania: 535 for five
South Africa: 132 for five

GOLF

Daikyo Open

Final leading scores Sunday in 120 million yen (dlrs 923,000) Daikyo Open at the 6,308-yard (5,740-meter), par-71 Daikyo Country Club course in Kunigami, Japan:

Kenichi Kuboya, Jap. 66-64-68-65—263
K.Kuwabara, Jap. 65-68-70-61—264
Brian Watts, U.S. 66-66-66-66—264
Toru Suzuki, Jap. 71-66-61-69—267
Hirofumi Miyase, Jap. 66-65-70-67—268
David Ishii, U.S. 63-66-69-70—268
M.Kusakabe, Jap. 68-65-67-69—269
S. Higaki, Jap. 68-65-67-69—269
Hiroshi Makino, Jap. 66-69-69-66—270
Yeh Chang-ting, Taiw. 71-65-66-68—270

New Zealand Open

Leading scores after Sunday's final round of $300,000 New Zealand Open at par-72, 6,177-meter (6,795-yard) Auckland Golf Club Middlemore course:

Greg Turner, N. Zeal. 69-69-71-69—278
Lucas Parsons, Austrl. 72-65-73-75—285
Andrew Coltart, Scot. 71-70-75-69—285
Jean-Louis Guepy, Fr. 76-67-78-67—285
Brett Partridge, Austrl. 72-71-69-74—286
Frank Nobilo, N. Zeal. 72-71-73-70—286
Craig Parry, Austrl. 73-71-70-73—287
Paul Gow, Australia 73-76-68-70—287
P. Tataurangi, N. Zeal. 71-73-74-69—287
P. Devenport, N. Zeal. 74-74-69-71—288
Neil Kerry, Austrl. 73-73-71-71—288

SKIING

World Cup

MEN'S GIANT SLALOM
SUNDAY IN VAL D'ISERE, FRANCE
1. Michael Von Gruenigen, Switzerland, 2 minutes, 29.48 seconds (1:15.48 - 1:14.00)
2. Stephan Eberharter, Austria, 2:30.41 (1:15.90 - 1:14.51)
3. Hans Knauss, Austria, 2:30.57 (1:16.19 - 1:14.38)
4. Urs Kaelin, Switzerland, 2:30.80 (1:16.15 - 1:14.65)
5. Steve Locher, Switzerland, 2:31.03 (1:15.91 - 1:15.12)
6. Marco Buechel, Liechtenstein, 2:31.04 (1:16.13 - 1:14.91)
7. Christian Mayer, Austria, 2:31.06 (1:16.04 - 1:15.02)
8. Alberto Tomba, Italy, 2:31.25 (1:16.18 - 1:15.07)
9. Paul Accola, Switzerland, 2:31.34 (1:16.80 - 1:14.54)
10. Ian Piccard, France, 2:31.39 (1:16.15 - 1:15.24)

GIANT SLALOM STANDINGS: 1. Von Gruenigen, 200; 2. Eberharter, 180; 3. Hermann Maier, Austria, 160; 4. Locher, 141; 5.Koelin and Kjetil Andre Aamodt, Norway, 109; 7. Hans Knaus, 100; 8. Christian Mayer, 99; 9 Thomas Grandi, Canada and Marco Buechel, Liechtenstein, 84.

OVERALL: 1. Maier, 429 points; 2. Eberharter, 346; 3. Aamodt, 297; 4. Josef Strobl, Austria, 276; 5. Von Gruenigen, 274; 6. Andreas Schifferer, Austria, 221; 7. Locher, 199; 8. Knaus, 175; 9. Kristian Ghedina (Italy) 160; 10. Accola, 156.

SOCCER

Confederations' Cup

FIRST ROUND
GROUP A
SUNDAY IN RIYADH, SAUDI ARABIA
Mexico 5, Saudi Arabia 0
Australia 0, Brazil 0
STANDINGS: Brazil 4 points; Australia 4; Mexico 3; Saudi Arabia 0.
GROUP B
SATURDAY IN RIYADH, SAUDI ARABIA
Uruguay 2, United Arab Emirates 0
South Africa 2, Czech Republic 2
STANDINGS: Uruguay 3 points; South Africa 1; Czech Republic 1; UAE 0.

AFRICAN CHAMPIONS' LEAGUE CUP
RETURN LEG
Raja Casablanca 1, Goldfields, Ghana, 0
Raja won 5-4 on penalties after 1-1 aggregate.

JAPAN CHAMPIONSHIP FINAL
RETURN LEG
Kashima Antlers 0, Jubilo Iwata 1
Jubilo Iwata won 4-2 on aggregate.

ASIAN WOMEN'S CHAMPIONSHIP
FINAL
China 2, North Korea 0

SCOTTISH PREMIER DIVISION
Celtic 1, Hearts 0
Dunfermline 0, Rangers 0
Hibernian 2, Aberdeen 2
Motherwell 1, Dundee United 0
St Johnstone 1, Kilmarnock 1

ITALIAN FIRST DIVISION
Atalanta Bergamo 1, AC Milan 2
Bari 0, Udinese 0
Bologna 2, Lecce 0
Empoli 4, Sampdoria 1
Inter Milan 3, AS Roma 0
Lazio 1, Brescia 0
Napoli 0, Parma 4
Piacenza 1, Juventus 1
STANDINGS: Inter Milan 30 points; Juventus 26; Udinese 23; Parma, AS Roma 22; AC Milan 19; Lazio, Vicenza 18; Sampdoria 16; Fiorentina 14; Empoli, Brescia 13; Bologna, Atalanta, Piacenza, Bari 11; Lecce 10; Napoli 5.

DUTCH FIRST DIVISION
RKC Waalwijk 1, Fortuna Sittard 2
Volendam 0, Ajax Amsterdam 3
Groningen 1, NAC Breda 1
Feyenoord 2, Twente Enschede 2
Heerenveen 3, Vitesse Arnhem 2
Roda JC Kerkrade 3, MVV Maastricht 0
Sparta Rotterdam 4, Willem II Tilburg 1
STANDINGS: Ajax 55 points; Eindhoven 37; Vitesse Arnhem, Heerenveen 35; Feyenoord 32; Willem II Tilburg 30; Sparta Rotterdam 27; Fortuna Sittard 26; Utrecht 23; Twente Enschede, Roda, Breda, Nijmegen 22; Graafschap Doetinchem 21; Maastricht 17; Groningen 16; Waalwijk 15; Volendam 11.

FRENCH FIRST DIVISION
Lens 0, Marseille 1
Bordeaux 0, Cannes 1
Guingamp 1, Auxerre 1
Chateauroux 1, Bastia 1
Lyon 0, Le Havre 1
Toulouse 1, Montpellier 1
Nantes 2, Strasbourg 1
STANDINGS: Monaco, Metz 38 points; Paris St Germain, Marseille 37; Lens 34; Bordeaux 32; Auxerre 30; Bastia 29; Lyon 26; Toulouse 25; Montpellier, Guingamp 24; Nantes 23; Le Havre, Chateauroux 19; Strasbourg 18; Rennes, Cannes 17.

SPANISH FIRST DIVISION
Valencia 4, Compostela 1
Deportivo Coruna 1, Real Sociedad 1
Sporting Gijon 1, Salamanca 1
Racing Santander 2, Real Zaragoza 3
Real Madrid 1, Merida 0
Valladolid 1, Oviedo 0
Mallorca 1, Real Betis 2
Barcelona 3, Espanyol 1
Athletic Bilbao 2, Celta Vigo 1
Tenerife 2, Atletico Madrid 2
STANDINGS: Barcelona 37 points; Real Madrid 35; Atletico Madrid 30; Espanyol, Real Sociedad 28; Celta Vigo 27; Real Betis 26; Athletic Bilbao 25; Zaragoza, Oviedo 23; Mallorca 21; Santander 19; Merida, Valladolid 16; Valencia, Deportivo Coruna 15; Salamanca, Compostela, Tenerife 14; Sporting Gijon 3.

GERMAN BUNDESLIGA
Hansa Rostock 1, Werder Bremen 2
Hertha Berlin 2, FC Kaiserslautern 0
Hamburger SV 1, VfL Wolfsburg 2
FC Cologne 4, Borussia Dortmund 2
Schalke 1, MSV Duisburg 1
VfB Stuttgart 1, Arminia Bielefeld 0
Karlsruher SC 0, 1860 Munich 0
Bayern Munich 3, B. Moenchengladbach 2
Bochum 0, Bayer Leverkusen 0
STANDINGS: Kaiserslautern 42 points; Bayern Munich 38; Stuttgart 35; Bayer Leverkusen, Schalke, 30; Wolfsburg 27; Rostock, Duisburg, Hertha Berlin, Werder Bremen 25; Karlsruher 24; Borussia Dortmund, 1860 Munich 21; Hamburg, Bochum, Cologne 20; Moenchengladbach, Arminia Bielefeld 19.

ENGLISH PREMIER DIVISION
Arsenal 1, Blackburn 3
Barnsley 2, Newcastle 2
Chelsea 0, Leeds 0
Coventry 4, Tottenham 0
Crystal Palace 0, Liverpool 3
Everton 0, Wimbledon 0
Southampton 2, Leicester 1
West Ham 1, Sheffield United 0
Bolton 3, Derby County 3
STANDINGS: Manchester United 37 points; Blackburn 36; Chelsea 35; Leeds 31; Arsenal 30; Liverpool 28; Derby, Leicester 27; Newcastle, West Ham 25; Wimbledon 23; Aston Villa 21; Sheffield Wednesday 21; Coventry, Crystal Palace, Bolton 20; Southampton 19; Tottenham 16; Everton 14; Barnsley 14.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Agreed to terms with RHP Omar Olivares on 1-year contract.

BALTIMORE—Agreed to terms with RHP Doug Drabek and OF Joe Carter on 1-year contracts. Waived RHP Brian Williams.

BOSTON—Agreed to terms with RHP Pedro Martinez on 6-year contract.

DETROIT—Agreed to terms with RHP Frank Castillo and OF Bip Roberts on 1-year contracts. Designated RHP Fernando Hernandez and 1B Bob Hamelin for assignment. Re-signed Rick Adair, pitching coach; Larry Herndon, hitting coach; Perry Hill, third base coach; Fred Kendall, bullpen coach; Larry Parrish, bench coach, and Jerry White, first base coach, through 1998 season. Placed RHP Kevin Jarvis on waivers.

MINNESOTA—Signed CF Otis Nixon to 1-year contract with an option year.

SEATTLE—Signed OF Rob Ducey to 1-year contract. Named Jesse Barfield hitting instructor. Agreed to terms with 1B David Segui on 2-year contract and OF Rob Ducey on 1-year contract.

TORONTO—Designated INF Carlos Garcia and INF Jeff Patzke for assignment. Traded C Sandy Martinez to Chicago for player to be named later.

NATIONAL LEAGUE

ATLANTA—Traded RHP Chad Fox to Milwaukee for OF Gerald Williams.

CHICAGO—Agreed to terms with OF Henry Rodriguez on 1-year contract.

MILWAUKEE—Agreed to terms with C Mike Matheny on 1-year contract.

MONTREAL—Traded OF Henry Rodriguez to Chicago for RHP Miguel Batista.

NEW YORK—Traded OF Alex Ochoa to Minnesota Twins for OF Rich Becker.

PHILADELPHIA—Signed Terry Francona, manager, to 1-year contract extension through 1999. Named Lee Elia scout and Ramon Henderson bullpen coach.

SAN FRANCISCO—Agreed to terms with LHP Kirk Rueter on 3-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CLEVELAND—Signed G Scott Brooks.

MILWAUKEE—Placed G Terrell Brandon on injured list. Signed G Tony Smith to 1-year contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO—Placed DE Jim Jeffcoat on injured reserve. Waived WR Jerry Reese. Announced retirement of WR Steve Tasker, effective at end of season.

NEW ORLEANS—Placed WR Brett Bech on injured reserve.

N.Y. JETS—Waived T John Clark.

SAN DIEGO—Placed TE Freddie Jones on injured reserve. Signed DT Michael Mohring from practice squad.

TAMPA BAY—Exercised their option on QB Trent Dilfer through 2001 season.

TENNESSEE—Placed CB Roger Jones on injured reserve. Signed DB George McCullough from practice squad.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Assigned D Marc Moro and F Antti Aalto to Cincinnati, AHL.

CAROLINA—Assigned G Pat Jablonski to Cleveland, IHL.

COLORADO—Reassigned C Dan Hinote from Hershey, AHL. Recalled G Marc Denis from Hershey.

EDMONTON—Recalled C Steve Kelly from Hamilton, AHL. Assigned C Colin Schmidt to New Orleans, ECHL.

FLORIDA—Reassigned D Mikael Tjallden from Syracuse, AHL, to Tallahassee, ECHL.

LOS ANGELES—Recalled C Nathan LaFayette from Fredericton, AHL. Assigned C Roman Vopat to Fredericton.

MONTREAL—Recalled D Jassen Cullimore from Fredericton, AHL.

NASHVILLE—Announced working agreement with Milwaukee, IHL, effective for 1998-99 season.

NEW JERSEY—Re-signed D Scott Stevens to multiyear contract. Assigned C Brendan Morrison, LW Reid Simpson and LW Dody Wood to Albany, AHL. Signed G Martin Brodeur to 4-year contract extension.

COLLEGE

AUBURN—Signed Terry Bowden, football coach, to 7-year contract, through 2004 season.

هكذا من الأصل

Cavs' Streak Halted at 10 As Hornets Sting, 85-84

The Associated Press

Glen Rice scored 32 points and David Wesley hit a decisive 3-pointer in the final two minutes as Charlotte ended Cleveland's 10-game winning streak with an 85-84 victory.

The Hornets followed Friday's victory over the Chicago Bulls by knocking off the NBA's hottest team. They overcame a 25-9 deficit at the end of the first quarter and kept the host Cavs from tying Atlanta and the Lakers for the longest winning streak in the league this season. Shawn Kemp led Cleveland with 25 points.

NBA Roundup

Pacers 109, Wizards 92 In Indianapolis, Rik Smits scored 25 points, including 10 in the final seven minutes, as the Pacers defeated Washington.

Smits added 13 rebounds for the Pacers, who made 31 of 32 free-throw attempts. Chris Webber led the Wizards with 31 points.

Pistons 93, Celtics 77 Brian Williams scored 29 of his season-high 31 points in the second half as host Detroit won its fourth straight. Williams also had 15 rebounds.

Knicks 95, 76ers 83 In New York, John Starks scored 28 points and took over down the stretch to help the Knicks avenge a recent defeat.

Starks scored 12 points in the final period and came up with a steal, a key loose ball and a fast-break dunk to help New York get even with the Sixers for a 15-point loss at Philadelphia on Dec. 7.

Nets 133, Nuggets 95 Keith Van Horn scored 21 of his season-high 30 points in the decisive first half as New Jersey routed visiting Denver.

The Nets, who led by 24 at halftime, had their highest point total of the season and snapped a three-game losing streak. The Nuggets lost their fourth in a row and remained winless in 12 road games this year.

Timberwolves 112, Suns 101 Stephon Marbury scored six straight points in the final 2:16 as Minnesota beat visiting Phoenix. Danny Ainge, the Suns' coach, was ejected after receiving his second technical foul from referee Ron Olesiak with 8:59 left. After the call, Ainge charged onto the floor and had to be restrained by players and assistant coaches before exiting calmly.

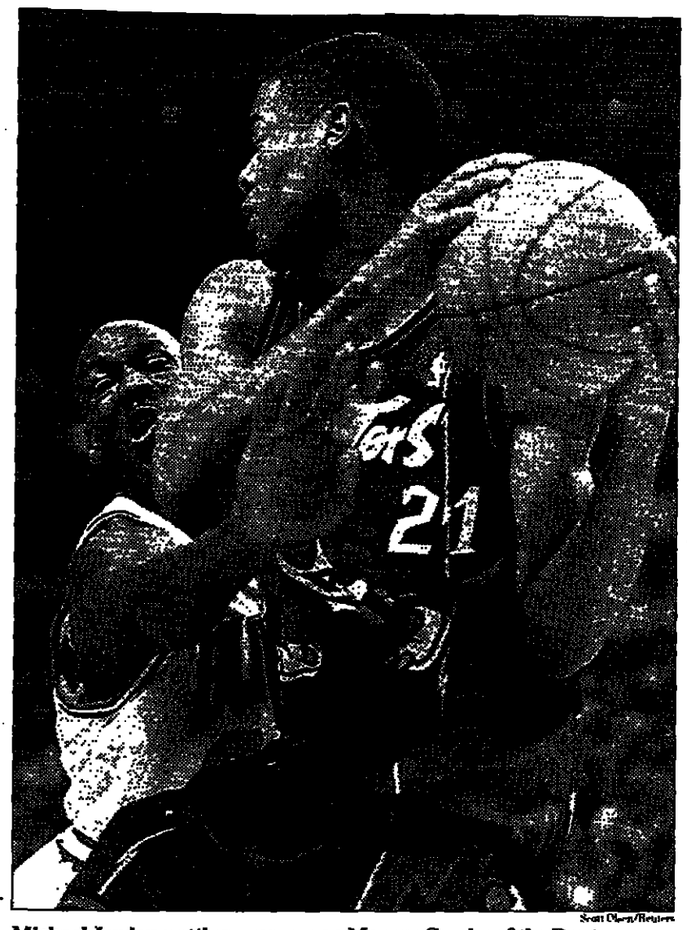
Spurs 107, Magic 78 In San Antonio, Tim Duncan scored a season-high 32 points and grabbed 11 rebounds as the Spurs ended Orlando's four-game winning streak.

Bulls 97, Raptors 70 In Chicago, Ron Harper scored 20 points and the Bulls snapped a two-game losing streak despite getting only 11 points from Michael Jordan. Toni Kukoc added 15 points and Dennis Rodman grabbed 14 rebounds for the Bulls.

Heat 87, Bucks 84 Voshon Lenard made two free throws in the final seconds and Tim Hardaway scored 11 of his 21 points in the final quarter as Miami beat host Milwaukee.

Warriors 95, Kings 91 In Oakland, Joe Smith had 25 points and the Golden State Warriors scored the first seven points in overtime to beat the Sacramento Kings.

After a 1-13 start, the Warriors are 3-3 since the suspension of their star guard, Latrell Sprewell, for assaulting the team's coach, P.J. Carlesimo.



Scott Olson/Reuters

Michael Jordan putting pressure on Marcus Camby of the Raptors.

Michigan Upsets No. 1 Duke

The Associated Press

Robert Traylor scored 24 points and Louis Bullock added 23 as Michigan overcame a 17-point deficit to defeat No. 1 Duke, 81-73.

Duke (9-1) opened the second half Saturday with 3-pointers by Mike Chappell and Trajan Langdon for a 52-35 lead. But the Blue Devils soon endured a 4:39 stretch without a field goal, and scored just two baskets over the final 7:46, the last with less than a second to play. Bullock scored 17 points in the second half and Traylor had 15 over the final 20 minutes for Michigan (6-2).

College Basketball

No. 2 North Carolina 50, No. 22 Princeton 42 The Tar Heels, idle for a week and playing their first home game since Nov. 22, fell behind 11-4 and trailed the Tigers (7-1) for all but 2½ minutes of the first half.

The second half wasn't much better for the Tar Heels until Vince Carter's follow shot with 7:16 left gave North Carolina the lead for good at 37-35.

No. 4 Kentucky 85, No. 24 Georgia Tech 71 Heshimu Evans scored the first six points of a 16-5 run that helped Kentucky erase an 11-point deficit and go on to beat Georgia Tech.

No. 7 Xavier 88, Cincinnati 68 In Cincinnati, guards Lenny Brown and Gary Lumpkin each scored 23 points and wore down a wilting defense as Xavier (6-1) finished with its most lopsided victory over Cincinnati in 41 years. The Musketeers have won the last two games between the rivals.

From 7th Stringer to 7th Heaven

On Eve of Tribute, Pundits Recall Career of Joe Montana

By Lowell Cohn
New York Times Service

SAN FRANCISCO — The San Francisco 49ers on Monday night will honor one of the greatest quarterbacks who ever lived.

Joe Montana, who orchestrated 31 fourth-quarter comebacks in the National Football League, will see his No. 16 retired at halftime of the 49ers' game against the Denver Broncos.

In the heat of a big game, nothing seemed to bother Montana. No situation seemed too large or insurmountable. Indeed, his gift as a quarterback was not so much his raw athletic ability, but his unflappable poise.

A former 49ers' guard, Randy Cross, once said of him: "He's not so far into the game that he loses perspective. He's rather detached. It's like he's able to do it in the third person."

Montana always had the ability to step back and somehow watch himself play. It's just that, until he met Bill Walsh, his coach in San Francisco, few could identify that quality, much less appreciate it. In the 1979 draft, Montana was taken in the third round. He was the fourth quarterback selected, chosen behind Jack Thompson, Phil Simms and Steve Fuller.

Montana, 41, who retired after the 1994 season, grew up in Monongahela, Pennsylvania. He was set to go to North Carolina State University as a basketball player until Notre Dame came through with a football scholarship. He was a seventh-string freshman quarterback in a field of seven. By the time he was a sophomore, in 1976, he was second on the varsity. But he chipped a bone in his finger and separated his shoulder, and had to sit out the entire season.

In 1977, he had sunk to third string, a skinny nobody without a great arm. When Rusty Lisch, the starter, was suffering a bad day in the third game of the year, against Purdue, Coach Dan Devine brought in Gary Forystek, who promptly suffered a fractured clavicle. Montana assumed he was next. Sorry, Joe. To his amazement, Montana saw Lisch again making his way to the huddle. But Lisch still couldn't move the team.

Enter Montana. Finally.

One minute remained in the third quarter, with Purdue leading, 24-10. So what did Montana do? He completed 9 of 14 passes for 154 yards and 21 points. The Irish won, 31-24. Under Montana's leadership the rest of the season — yes, Devine got the message — Notre Dame wound up No. 1 in the final polls.

Montana's great collegiate moment came in the 1979 Cotton Bowl against the University of Houston. It was the last college game he ever played, and it was frigid in Dallas with gusting winds. Montana was cut and bleeding from the rock salt that had been thrown on the field to melt the ice that had accumulated. After each offensive series, he ran to the sideline and huddled near the heaters.

When he went to the locker room at halftime, he got chills and couldn't stop shaking. The doctor took his temperature and found that it had plunged by more than 2 degrees Fahrenheit. Montana was covered with blankets and made to drink chicken soup until his temperature returned to normal. By that time, it was late in the third quarter with Houston ahead, 34-12. Montana took the Irish to a 35-34 victory, completing his last touchdown pass with no time remaining.

In hindsight, that Cotton Bowl was a typical all-in-a-day's-work Montana situation. But when the draft took place, few seemed to remember that game.

Looking back on that draft, George Young, still the New York Giants' general manager, said: "The best thing that I remember about Montana was the Cotton Bowl. It was his signature game.

"I don't think the personnel community was too bright, because if you go back and look at that game, he did all the great things that he exhibited in his career in the National Football League. He got hurt, he came back, he made all the big plays and he brought his team back from behind and won.

"A lot of people worried about him because he didn't have big legs and a big arm. All he did was move the ball and get touchdowns. He is a guy who was taken in the third round and said: 'I don't care. They are all wrong. I am as good as any first-rounder.'"

IN 1979, pro scouts accused Montana of having a poor arm and a bad attitude. But after working out Montana in Los Angeles two days before the draft, Walsh decided to take a chance on him.

"I can't find any negatives about Joe Montana's arm," Walsh said early in the quarterback's career. "Maybe the so-called experts can. People who say it's only an average arm are mistaken. Because his delivery is not a flick of the wrist like Terry Bradshaw's, they think it's not strong. He throws on the run while avoiding a pass rush, and he does not have to be totally set. He is not a moving platform like some others who are mechanical and can only do well when everything is just right. Joe performs just as well under stress."

According to Walsh, one of Montana's great assets was his ability to wait. Montana refused to throw a pass until precisely the right moment. Unfortunately, this patience was, at first, perceived as a flaw.

The 49ers intentionally brought Montana along slowly. In 1979, his rookie year, he threw only 23 passes.

He started the 1980 season behind Steve DeBerg, who repeatedly threw interceptions when pressured. Beginning in mid-October, Montana started three games in a row. But his next start did not come until four weeks later.

"I was trying to set the stage," Walsh said. "It wasn't for me to go public with my thoughts. I was preparing Joe to be our starting quarterback, so I put him in certain situations or against certain teams to give him a taste of success. Then I'd pull him back."

Before the 1981 season, Walsh traded DeBerg to Denver and gave Montana the starting job. DeBerg was a dominating leader and, with him there, Montana felt overshadowed.

"Steve was always telling people how to run their routes," Montana said. "It was tough for me to do that when he was around, because he always jumped in first."

Left on his own, Montana developed into a fierce leader. This came as something of a surprise to his teammates. There was the time in 1981 when his wide receivers, Dwight Clark and Freddie Solomon, were running long patterns down the field, with Clark the primary target.

Suddenly, Solomon became open and yelled, "Joe! Joe!" Montana dumped off the ball to a third receiver, then waited for Solomon to get back to the huddle. "Don't ever yell my name again, and I'll tell you why later," he snapped.

Montana was worked up because when someone screams a quarterback's name, he flinches: Is he going to be sacked? Is he about to throw an interception?

With journalists, Montana was usually unable to say no to an interview, although he sometimes wanted to.

"I don't know if it's from respecting people too much," he explained once, "but sometimes I find myself overly nice — even to people who are rude. I keep things inside I should say. I wish I could say them, and I keep telling myself that next time, I will. But I never do."

"Which is the real Joe?" he was asked. "Is he the quiet man off the field, or the brave quarterback?"

"The quiet one feels like the real me," Montana said.

"Who is the man on the field, then?"

"He's a release," Montana said.

Gilmour Enjoys His Return to Toronto

The Associated Press

Doug Gilmour scored on his first shift in Maple Leaf Gardens since being traded from Toronto to New Jersey in February, and Martin Brodeur stopped all 25 shots he faced as the Devils won, 3-0, to extend their winning streak to five games.

Denis Pederson and Bobby Holik added goals for the Eastern Conference leaders Saturday night, who improved their record to 22-9-0. Brodeur, in posting his fourth shutout of the season, lowered his goals-against average to 1.63.

Gilmour, who was honored by the Leafs in a pregame ceremony, scored his seventh goal of the season 80 seconds after the opening faceoff.

Bruins 4, Canadiens 2 In Boston, Anson Carter set up Sergei Samsonov's first-period power-play goal and also scored one as the Bruins beat Montreal.

Ted Donato and Ray Bourque added the other Boston goals as the streaking Bruins won their fourth straight.

Islanders 4, Panthers 1 Tommy Salo stopped 23 shots and Ken Belanger broke a tie with his first NHL goal as host New York beat Florida. Claude Lapointe, Todd Bertuzzi and Bryan Smolinski also scored for the Islanders, who broke a two-game losing streak.

NHL Roundup

Lightning 3, Senators 1 Tampa Bay ended a 16-game road winless streak by beating Ottawa.

Igor Ulanov, Rob Zamuner and Jason Wiemer scored for the Lightning, who last won away from home in Chicago on Oct. 9. The triumph was Corey Schwab's first of the season as Tampa Bay's goalie.

Oilers 4, Blues 1 Boris Mironov had a goal and an assist and Edmonton victimized the NHL's No. 2 penalty-killing unit by scoring three goals on the power play in St. Louis.

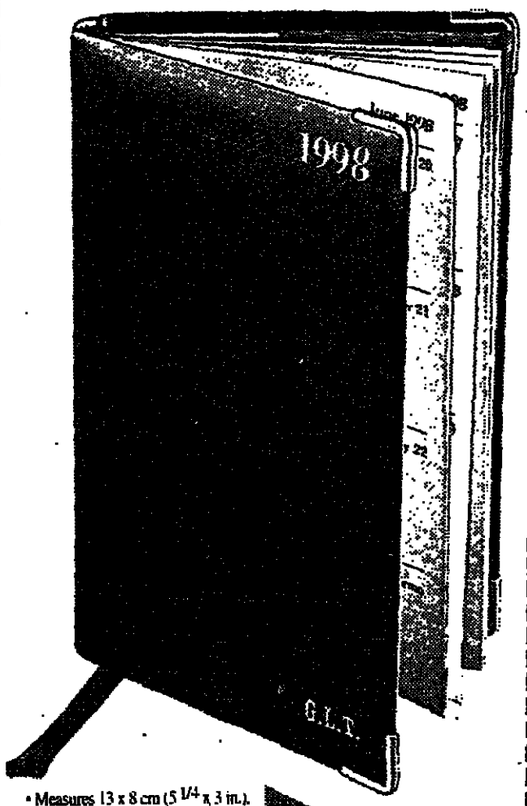
Mironov assisted on a second-period goal, a breakaway by Mats Lindgren that snapped a 1-1 tie. He slapped in the rebound of his own shot at 3:02 of the second period for a two-goal lead.

Avalanche 5, Canucks 2 Peter Forsberg scored twice and assisted on another goal as Colorado ended a three-game winless streak with a victory over host Vancouver.

Forsberg, the NHL's scoring leader with 11 goals and 32 assists, keyed a four-goal outburst by the Avalanche in the first period in handing Vancouver its fifth straight loss.

Capitals 2, Kings 2 Steve McKenna scored with 29 seconds left in regulation time, helping Los Angeles tie visiting Washington. Sergei Gonchar and Joe Reekie scored first-period goals for the Capitals.

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WORLD ROUNDUP


Reuters
Two Danish handball fans stand- ing for a minute's silence Sunday in Berlin for two compatriots killed the day before.

2 Danish Fans Are Killed at Game

HANDBALL Two Danish men were stabbed to death in a fight with a drunken German fan during the women's world handball championships in Berlin on Saturday, the German police said.

The incident happened while Denmark was beating Russia, 32-22, in a semi-final match. The police said an argument broke out involving a 48-year-old German who was sitting in the Danish fans' enclosure at Berlin's Max-Schmeling stadium.

The victims were aged 34 and 39. One died instantly and the other died later at a hospital.

The police could not say immediately what the argument had been about.

The authorities said they had detained the German, a Berlin resident who had been drinking.

Tournament organizers decided to play the final as scheduled on Sunday. Denmark beat Norway 33-20 in the final. *(AP, Reuters)*

Pakistan Beats India

CRICKET Saeed Anwar scored 104 as Pakistan beat India by four wickets Sunday in a one-day match in the Champions Trophy in Sharjah.

India batted first and made 239 for seven in its 50 overs. Saurav Ganguly was top scorer with 90.

On Saturday, Dougie Brown, an England fast bowler, dismissed Brian Lara for naught, and Graham Thorpe hit a timely 57 as England beat West Indies by four wickets in the Champions' Trophy.

England made 198 for six wickets off 45.5 overs after restricting West Indies to 197 for seven in its 50 overs. Carl Hooper held the West Indies innings together with 100 not out. *(Reuters)*

Orioles Acquire Carter

BASEBALL In a hastily arranged deal, Joe Carter, a five-time All-Star, and the Baltimore Orioles agreed Friday to a $3.3 million, one-year contract.

Carter, who spent the last seven years with the Blue Jays, said his agent was contacted Thursday by Pat Gillick, the Orioles general manager. Gillick was Toronto's GM when the Blue Jays acquired Carter, a first baseman-outfielder, from San Diego.

"I wanted to go out with a bang. This is a way to go out with a bang," Carter said.

Carter, who will turn 38 in March, hinted that this season, his 15th, might be his last.

He said Minnesota and Anaheim also expressed interest in signing him.

The Orioles, who lost in the American League championship series the last two years, intend to use Carter as a designated hitter, left fielder and right fielder. He also hopes to get in a game or two at first base on days when Rafael Palmeiro needs a break. *(AP)*

Woodson Outshines Manning for Heisman

Michigan Cornerback Is First Primarily Defensive Player to Win Trophy

By Josh Barr
Washington Post Service

Charles Woodson, a cornerback at the University of Michigan, became the first player whose primary position was on defense to win the Heisman Trophy, college football's most prestigious individual honor.

Woodson, a two-time All-America cornerback, also returned punts and occasionally played wide receiver for the top-ranked Wolverines. He led Michigan to an 11-0 record and a berth in the Rose Bowl against Washington State on Jan. 1. A victory will probably give the Wolverines their first national championship since 1948.

Woodson received 1,815 points in the balloting by media and former Heisman winners, earning 433 of the 921 first-place votes. Peyton Manning, the University of Tennessee's senior quarterback who was considered by many the favorite to win the award, finished second with 1,543 points and 281 first-place votes.

Ryan Leaf, the Washington State quarterback, and Randy Moss, a wide receiver at Marshall University, were the other two finalists for the trophy, finishing third and fourth.

In a voting process that sometimes turns into a regional competition, Woodson was the leading vote-getter in five of six geographic areas. Only in the South did Manning receive more votes than Woodson.

"I used to always tell people when I was younger that I was going to win the Heisman," said Woodson, the third Wolverine to win the award following Tom Harmon in 1940 and Desmond Howard in 1991. "This is the biggest day of my life."

Woodson finished the regular season with 43 tackles and seven interceptions, 11 receptions for 231 yards and two touchdowns. He averaged 8.6 yards per punt return. He also had one rushing touchdown.

He turned in his best performance of the season in the Wolverines' biggest game. With Michigan needing a victory over then-No. 4 Ohio State in its regular season finale on Nov. 22 to secure a berth in the Rose Bowl, Woodson had an interception, returned a punt 78 yards for a touchdown and had a 37-yard reception to set up Michigan's only offensive touchdown of the game.

Manning had been favorite to win the award since last spring, when he decided to buck the trend and return to Tennessee for his senior year instead of turning pro, as many top collegiate players do before graduating.

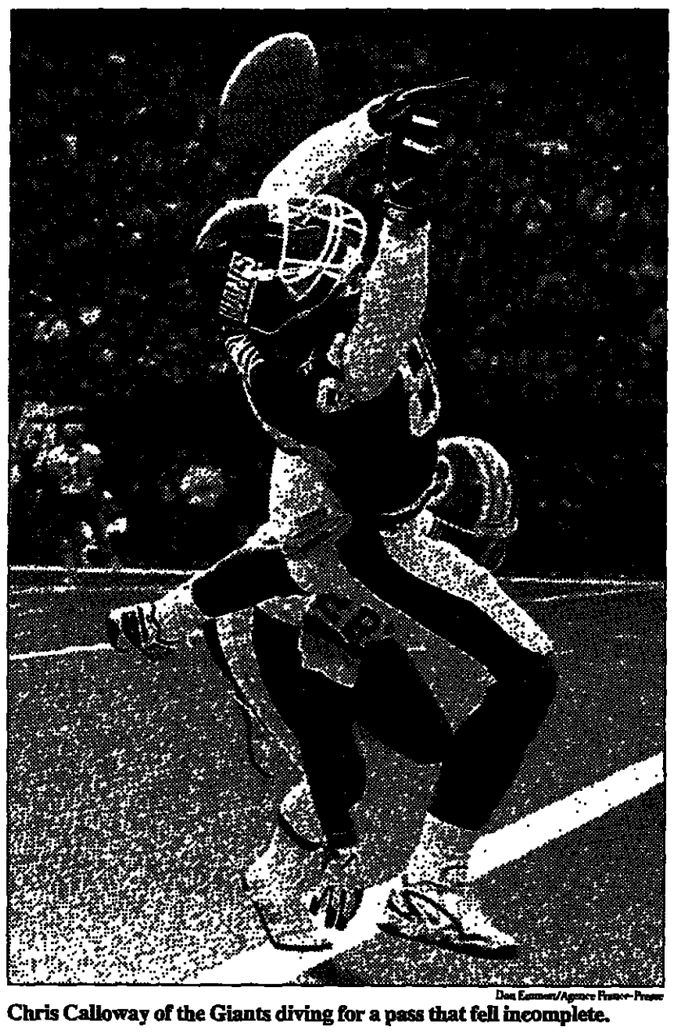
Even if Manning was not the best college player, some had argued that he should win the award based on what he had done for college football. He earned his undergraduate degree in three years and is a fan favorite. On one occasion, he bought $100 worth of pizza for fans waiting to buy tickets for a game. On another, he directed the school band following a victory.

Manning also performed well on the field, passing for 3,819 yards and 36 touchdowns, leading the Volunteers (11-1) to their first Southeastern Conference championship since 1990. Tennessee will play Nebraska in the Orange Bowl on Jan. 2.

Leaf, a junior, has been likened to a famous former Washington State quarterback, Drew Bledsoe, who is now with the New England Patriots. Leaf led the Cougars (10-1) to their first Rose Bowl bid since the 1930 season.

Moss, a sophomore, set an NCAA Division I record with 25 touchdown catches this season. Last week he won the Biletnikoff Award, given to the nation's top receiver. He has caught at least one touchdown pass in all 27 college games he has played.


Adam Nadel/The Associated Press
Charles Woodson reacting to his selection in New York as the Heisman Trophy winner.


Dan Eammet/Agence France-Presse
Chris Calloway of the Giants diving for a pass that fell incomplete.

Jets Rocket Over Buccaneers, 31-0

Colts Drub the Dolphins; Cowboys Lose Again and Will Miss Playoffs

The Associated Press

Who needs an offense when you're busy running interceptions and kickoffs into the end zone?

Otis Smith returned interceptions 45 and 51 yards for touchdowns on Sunday, leading the New York Jets past the Tampa Bay Buccaneers, 31-0.

Leon Johnson added a 101-yard kickoff return to open the second half as the host Jets (9-6) stayed alive in the playoff race with a stunning victory one week after their worst performance of the season, a 22-14 loss to Indianapolis.

With those same Colts shocking Miami on Sunday, the Jets can make the playoffs with a victory at Detroit in their regular-season finale. The Bucs (9-6) can clinch a playoff berth with a win at home next week against the Bears or a loss by Carolina in one of its two final games.

The Bucs looked like anything but the team that led Pro Bowl voting with seven selections. They couldn't penetrate New York's makeshift offensive line and generated only 111 yards on offense, 21 passing.

Colts 41, Dolphins 0 Jim Harbaugh passed for 255 yards and a career-best four touchdowns, three of them to tight end Ken Dilger, as the Indianapolis Colts romped over the Miami Dolphins.

Miami (9-6) can still clinch the AFC East Division title with a victory next week over New England, but this game belonged to Indianapolis (3-12) from the beginning.

The host Colts scored on every first-half possession, sacked Dan Marino twice and forced him to fumble twice deep in Miami territory. Both turnovers led to Indianapolis scores.

Marino managed only 71 yards passing, the second-worst game of his 15-year NFL career, and the shutout was the Dolphins' first since a 27-0 loss at Buffalo in 1987; a span of 162 games.

Harbaugh, who two weeks ago said he accepted responsibility for his part in the Colts' dismal season, was 15-for-24 for 173 yards in a 22-14 victory over the Jets last week.

Against the Dolphins, he was even better, going 16-for-20 for 218 yards in the first half and 20-for-26 for the game. But he had some help from an ineffective Miami defense that repeatedly left his receivers open.

NFL ROUNDUP

Bengals 31, Cowboys 24 The Dallas Cowboys were eliminated from playoff contention with a game that mirrored their season: a good start, a quick fade and a comeback that wasn't nearly good enough.

Boomer Esiason threw two touchdown passes as the Cincinnati Bengals overcame a Dallas-dominated first quarter by scoring 31 consecutive points and holding on for a 31-24 victory.

Dallas (6-9) let a 10-point first-quarter lead slip away. With it went the Cowboys' already minuscule chance of making the playoffs for a seventh consecutive season.

The Cowboys have lost their last four games, their longest skid since 1989, when quarterback Troy Aikman was a rookie and the team went 1-15.

Esiason threw touchdown passes of 48 and 32 yards to spark the comeback and completed 13 of 25 passes overall for 269 yards.

Corey Dillon, who set a rookie record by rushing for 246 yards in the Bengals' last game, picked up 127 yards on 26 carries.

Jaguars 20, Bills 14 Mark Brunell threw for 317 yards and ran for a 13-yard touchdown as Jacksonville clinched a postseason spot with a victory over the Buffalo Bills.

The visiting Jaguars had a 17-3 lead before Buffalo cut the margin to 17-14 in the fourth quarter. Backup Alex Van Pelt led the Bills on an 80-yard drive that ended in Antowain Smith's 1-yard touchdown with 8:03 remaining and a 2-point conversion pass to Eric Moulds.

Natrone Means gained 74 yards rushing and scored another touchdown, and Hollis also had a 19-yard field goal for the Jaguars (10-5). Brunell completed 24 of 32 passes and matched his season-best in yardage.

Falcons 20, Eagles 17 Atlanta remained one of the league's hottest teams over the second half of the season, beating the Philadelphia Eagles on Morten Andersen's 33-yard field goal as time ran out. Atlanta needed Carolina to lose to Green Bay in a game later Sunday to go into final week of the season still in playoff contention. At the very least, the Falcons have a chance to become the only team other than the 1984 Packers to finish with a .500 record after starting out the season at 1-7.

In another game played on Sunday, the Detroit Lions beat the Minnesota Vikings, 14-13.

In games played Saturday, The New York Times reported:

Giants 30, Redskins 10 The New York Giants converted five turnovers into 20 points as they clinched their first NFC East title since 1990 with a victory over the Washington Redskins.

Pittsburgh 24, Patriots 21 Norm Johnson's 31-yard field goal in overtime lifted visiting Pittsburgh to an unlikely victory over New England.

Maier Is Disqualified In Giant Slalom Victory

The Associated Press

VAL D'ISERE, France — Hermann Maier stopped too soon after an apparent victory Sunday and was disqualified in the men's World Cup giant slalom. Michael Von Gruenigen of Switzerland was awarded the victory.

Maier, the newest star of the ski circuit, had the best time of the two runs, 2 minutes 29.08 seconds, better than Von Gruenigen's 2:29.48.

But Maier, an Austrian, stopped too soon after the finish to take off his skis and display them, short of a line set by the International Ski Federation to avoid skiers making too much of a show of the sponsor's skis.

"As a member of the jury, I don't like to disqualify someone who has performed on such a winning level," said Guenther Hujara, a World Cup referee. "But we have to stick to the rules. If a racer steps out of his skis before the red line, he must be disqualified."

At one time it was up to 90 meters past the finish line. But recently it has been an arbitrary decision by the organizers depending on the size of the finish area.

After Maier finished, the Swiss team immediately lodged an appeal against Maier's action and ski federation officials disqualified him about half an hour after the race.

"We checked the videos of it and it was obvious it was a mistake," Hujara said.

It was the first time that a World Cup winner had his victory taken away because of the rule.

"I am only in my second year in the World Cup," Maier said. "Maybe someone has used that to stop me."


Alessandro Della Valle/Agence France-Presse
Hermann Maier showing off his ski after the finish in Val d'Isere.

Australian Defense Stops Brazil's Relentless Assault

Reuters

RIYADH — Brazil attacked and attacked against Australia on Sunday, but could not score. The game, in Group A of the FIFA Confederation Cup, finished in a 0-0 draw.

In the evening's opening match, Mexico scored four second-half goals as it thrashed Saudi Arabia, the host, 5-0. Francisco Palencia and Cuauhtemoc Blanco each scored twice. Braulio Luna scored the other goal. The victory gave Mexico a chance of finishing in the top two of group A and reaching the semi-finals.

Inter Doesn't Miss Ronaldo. Page 18.

Mexico, which lost 3-1 to Australia on Friday, will have to beat Brazil in its final game unless Australia loses to the Saudis.

The home fans turned against the demoralized Saudi team in the second half and cheered as Blanco scored the fifth goal.

On Saturday, two teenage strikers, Nicolas Olivera and Antonio Pacheco, scored to give a young Uruguayan team a 2-0 victory over the United Arab Emirates in Group B.

Olivera scored from a rebound to give Uruguay the lead just before halftime.

Pacheco, a substitute, added a second in injury time for the Uruguayans, who have selected several under-20 players following a disappointing World Cup qualifying campaign.

South Africa came from two goals down to draw, 2-2, with the Czech Republic in the day's second match.



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